



Daily Report

Soviet Union

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27 June 1991

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G-7 Attitude Will Hinge on Reform Plan

PM2606152391 Moscow PRAVDA in Russian
25 Jun 91 First Edition p 5

[Correspondent A. Lyuty report: "Ministers' Rehearsal. Coordination of Positions Before 'G-7' Meeting Continues"]

[Text] London, 24 June—A one-day meeting of the finance ministers and leaders of the central banks of the West's seven leading industrially developed countries was held in London yesterday. This can be said to be the final rehearsal before the "G-7" summit to be held here 15-17 July. So it is quite natural that one of the main points on the agenda was the problem of helping the Soviet economy.

Yesterday's conference, as an official British Treasury spokesman warned the previous day, did not set itself the task of "reaching a definite decision" on the concept of such help. Rather it was aimed at working out the various options, and checking and coordinating positions in order to ensure that the ministers and their bosses can speak more or less with one voice in the three weeks before the London summit. The greatest interest in such coordination, the INTERNATIONAL HERALD TRIBUNE notes, was shown by Japan, "which wants to avoid being isolated on the question of aid to the USSR at the July summit." Tokyo has been more resolutely opposed than the others to the granting of large amounts of finance to the USSR, strictly linking the aid problem to the settlement of the "northern territories" dispute.

To judge from the meeting's final communique, its participants decided not to go beyond the framework of the prevailing opinion among the "G-7" that the USSR is in need of a sharp radicalization of reform. The document states that the ministers "examined the economic situation in the USSR and stressed the need for continued economic reforms." Decoding this general passage, certain meeting participants hinted that the West might grant large amounts of finance once it is sure that the new program for progress toward the market is sufficiently viable, radical, and effective. U.S. Treasury Secretary Nicholas Brady said bluntly: "We have not been talking about large sums of money here." His British colleague Norman Lamont added: "Only the Soviet Union itself can bring about change. Massive aid as such is not an answer to its problems."

Thus a great deal will depend on what kind of program for the Soviet economy's transition to the market our president brings with him to London. It was clear from behind-the-scenes comments at yesterday's meeting that the finance ministers could only speculate on this score. THE TIMES notes that "the existence of at least two national and several republic economic development plans and the outbursts of anti-Western emotion on the part of high-ranking officials are clouding the picture." The West, local financiers are saying, is waiting impatiently to hear the concept put forward by Gorbachev himself and the extent to which it includes elements of

the Yavlinskiy plan and elements of the Pavlov plan. I would note for my own part that the Yavlinskiy program, elaborated with the help of Harvard specialists, received the more positive assessment.

At yesterday's meeting the ministers unanimously advocated granting the USSR the status of associate member of the IMF. Barring unforeseen circumstances, this issue could be positively resolved in principle by the heads of the "G-7" in mid-July. This form of membership would allow us to gradually join in IMF programs and to obtain loans and other kinds of aid on easier terms than is the case today.

The question of the possible abolition of the provision of the European Bank for Reconstruction and Development (EBRD) statutes whereby for the first three years the USSR cannot obtain loans exceeding the 6 percent of the incorporation capital which represents our share was also examined. Although a whole number of the bank's founders advocate the abandonment of this discriminatory point, the Americans have not yet withdrawn their objections.

Thus the following conclusion can be drawn from the results of the "G-7" ministers' conference: The overall position of the participants in the 15-17 July London meeting will still be in the process of elaboration. The West would primarily like to hear our own ideas about stimulating market reforms and tying them in with "G-7" aid. At this stage it is just a question of technical aid, consultations, expert advice, and the USSR's gradual involvement in the work of international financial organizations. Financing of specific projects under the donors' control could be possible at a later stage. As for funds being allocated for the creation of a stabilization fund to allow the ruble to achieve convertibility, that problem is still to be resolved.

One of the key points on the ministers' conference agenda was the question of the "G-7" foreign exchange and financial mechanism. The dynamic rise of the dollar has caused some concern in West Europe, for instance. While reflecting the revival of the U.S. economy, a strong dollar at the same time places the economies of some other "G-7" members at a disadvantage. Germany, which is now forced to import far more goods and equipment than in the past in connection with the overhaul of its eastern regions, finds itself "overpaying" for these imports because of the high dollar. Judging by the final communique, the United States has not yet promised to take any specific steps to stabilize the dollar.

Academic on Prospects for G-7, Aid

PM2706095591 Moscow ROSSIYSKAYA GAZETA
in Russian 25 Jun 91 p 1

[Interview with Aleksandr Bevza, senior scientific associate at the United States and Canada Institute, by A. Yevgenyev; date and place of interview not stated: "The 'G-7,' the Union, and the Republics"]

[Text] The upcoming meeting between USSR President M. Gorbachev and the "Big Seven" leaders raises many questions. Our correspondent asked Aleksandr Bevza, senior scientific associate at the United States and Canada Institute, to answer some of them.

[Yevgenyev] Aleksandr Sergeyevich, the "Russian question" was raised, as is well known, at the previous conference of the "Group of Seven" a year ago in Houston. But it all came to nothing...

[Bevza] Yes, even then the question of how to help our perestroika came up. It was decided to send a group of experts to the Soviet Union to study the situation on the spot and prepare a relevant report. But the "Basic Guidelines..." elaborated in fall of last year clearly did not impress them. Therefore the summary was this: It is too early to talk about extensive financial assistance for the USSR.

[Yevgenyev] Do you think that Gorbachev will have stronger trump cards in London?

[Bevza] It seems to me that our president has nevertheless made a choice. It was a difficult one, and he made it "despite himself," but he made it all the same. The "Nine plus One" agreement envisages rapid and clear movement toward the market and the decentralization of economic functions and powers. In this sense we have crossed the rubicon.

[Yevgenyev] Our possible collaboration with the "Group of Seven" has already been dubbed a second "Marshall plan." But few people know that within the framework of that plan the USSR had the opportunity to take advantage of foreign assistance and join in the world economic process back at the end of the 1940's. Why did this not happen?

[Bevza] The whole paradox is that the Soviet Union did indeed take a very active part in preparing not just the "Marshall plan" itself, but also the whole system of postwar international economic collaboration—in creating the World Trade Organization project on whose basis the GATT arose, and in elaborating provisions on the IMF and the World Bank for Reconstruction and Development. And we were assigned an important role—the USSR was promised quite a significant package of votes.... Stalin made a decision within a narrow circle at the last moment. I think he must have realized that his regime would not be able to withstand open cooperation with the West, and so he made a choice that contradicted the interests of the people but guaranteed the immutability of totalitarian power.

But I would like to clarify matters: There will be no question of a readymade "Marshall plan" for the USSR in London in July. For the simple reason that no such plan exists and no one has a clear picture of how to formulate such a document.

[Yevgenyev] What can we expect from the London meeting?

[Bevza] First and foremost a political decision on strengthening support for reforms in the USSR and closer cooperation and collaboration. We can expect the creation of a special mechanism for serious dialogue on these questions. All in all, the "Group of Seven" itself does not possess the organizational potential for detailed elaboration of a new "Marshall plan," never mind its implementation. It is impossible to manage without the participation of the IMF and the World Bank here. But for them we are an uncoupled railroad car. So a formula for linking the USSR with the leading international economic organizations urgently needs to be found.

[Yevgenyev] Does the assistance on which we are counting mean credits?

[Bevza] Not only credits. We need trade privileges—that is, a normal international trade system and the granting of the same level of customs duties granted to other countries. And technical, specialist, and consultation assistance. And of course, an influx of private capital. Our economy must become really open. The elaboration of a "Marshall plan" will evidently require a great deal of time. That is why I would hope that a limited package of special measures providing for the purchase of food, rescheduling of our foreign debts, and the restoration of the extraction of the main hard currency resources—oil and gas—will be approved in London.

[Yevgenyev] There is no trace of any agreements yet, and already voices can be heard saying: "Russia is being sold off!" The most "perspicacious" of them are predicting inevitable and eternal servitude.

[Bevza] Let us discuss this calmly. In principle the danger of falling into economic dependency cannot be denied. Therefore it is important to embark on integration with a clear understanding of your own interests and aims. For instance, will our entrepreneur be able to compete against a Western entrepreneur if he has no credit, access to resources, or possibility of obtaining a work force and premises? We need an intelligent, far-sighted strategy for the revival and development of the national economy. That is what must be the basis of the future "Marshall plan" for the USSR. After all, it will not work otherwise. First of all we ourselves must sort ourselves out at home with our own program of reforms, and only then will it become clear where and how the West can help us.

[Yevgenyev] Do you think that the Union government is capable of working out such a program?

[Bevza] On its own it is no longer capable of doing anything. The center has lost control of production, finances, and monetary circulation. Things can be changed only by moving in harness with the republics. There is a direct reason to directly involve them in talks. If I had my way, I would invite everyone who signed the "Nine plus One" agreement to London. Let the "Group of Seven" see the faces of those with whom they will be dealing and see for themselves that whatever happens to the Union there is someone to pay the bills.

[Yevgenyev] Massive credits will presumably require specific concessions on our part.

[Bevza] But is it possible to save a ship whose crew is busy drilling a hole in the bottom of their own ship at the critical moment? That is why the conditions will undoubtedly be tough: a sharp reduction in state, and primarily military, expenditure, the imposition of order as regards credit and monetary circulation, the liberalization of prices, the transition to a convertible ruble, the legalization of private ownership, the transfer of state enterprises to a commercial footing, the granting of legal guarantees to foreign capital.... It is not hard to see that all these are concessions not so much to the West as to common sense and the objective logic of economic and political reforms. I do not predict a shower of gold. Medicine for the sick Soviet economy will be doled out as in a pharmacy: in small and strictly measured doses depending on the patient's state and behavior. And so that he does not think of being cunning and lapse into the temptation of wishful thinking, a tough mechanism is needed to monitor the expenditure of resources and the general state of the Soviet economy. We will have to provide our creditors with detailed and reliable information in the sphere of finances, the budget, foreign trade, and payments, and not deceive them or invent "military secrets" out of nothing, which the Soviet bureaucracy has been very well trained to do.

[Yevgenyev] But the patient's recovery also depends on who gets the credits.

[Bevza] Obviously. To my mind, the resources should be channeled into the solution of three main tasks. First of all, the purchase of food and industrial goods, so that people can somehow get by in the most difficult times. Second, the creation of market structures—a banking system, exchanges, wholesale trade, private enterprises, and private farming, and their provision with state-of-the-art equipment. Third, the modernization of industry, starting with the sectors working for people, and the infrastructure—transport, power engineering, and communications.

It is clear that no one will give credits to the industrial ministries in their present form. Furthermore, I believe that an important condition in the "Marshall plan" for the USSR, if such a plan emerges, will be the disbanding of the majority of them, the abandonment of centralized control, and a complete change in the system of running the economy.

Clearly the main sphere into which resources will be channeled will be the private sector. The European Bank for Reconstruction and Development, created specially to assist the reforms in Eastern Europe, grants 60 percent of its money to private entrepreneurs. But look around you: Are there many such people in our country who have ideas you could unblushingly ask for hard currency to back?

[Yevgenyev] I think that nevertheless, there will be no shortage of people claiming good money.

[Bevza] And that is a good thing. But their fates should not be decided by functionaries in offices—or once again everything will be in a mess.

[Yevgenyev] Then by whom?

[Bevza] It would be best if the main distributor was a new banking system operating on strictly commercial principles. The resources must be allocated to specific projects on a competitive basis to the people who are best able to use them efficiently.

[Yevgenyev] The Western economy is now experiencing a slump. How might this affect the results of the London meeting?

[Bevza] The times are not so good either for them or for us—that is true. Many Western governments have their own state budget deficit and are borrowing from the population, the private sector, and the banks. The credit market is "tight".... And, given the desire, money can be found. For example, the mutual reduction of USSR and NATO military budgets by only 5 percent would provide \$40 billion and a substantial sum of several billion rubles. So that the slump is more an argument in favor of assisting the USSR. All the money that foreign creditors will grant us will be recycled in a flash—it will be spent on goods, equipment, food, and so on. And in this way it will maintain the level of business activity in the West's economy. However, our prospects remain uncertain for them—and this is a great pity.

[Yevgenyev] Are we in a position to clarify them in some way?

[Bevza] Undoubtedly. In the first place, we have to sign the new Union treaty and carry out a democratic reorganization of Union power, thus dotting all the "i's." At the same time we must elaborate a realistic program for a transition to the market with clear sequence of stages and time frames. Finally, we must prepare and start implementing a complex of unilateral measures to be implemented regardless of whether the West will help us or not. I have in mind the reduction of the military budget and of expenditure on the administrative apparatus, cardinal changes in the principles of financing capital investments, and privatization.... In brief, we must do at least something practical to convince the West that the USSR's transition to the market is not a camouflage and that there is no return to the past.

Details of Delors, Gorbachev Meeting Given

PM2406134491 Paris LE MONDE in French
22 Jun 91 p 4

[Sylvie Kauffmann report: "Mr. Delors Did Not Obtain Details of Mr. Gorbachev's Economic Plans"]

[Text] Moscow—EC Commission Chairman Jacques Delors, who had come to Moscow to update his analysis of the situation in the USSR on which he is due to submit a report to the 12's summit in Luxembourg on 28

and 29 June, does not seem to have received decisive clarifications from his Soviet interlocutors, judging from the news conference he gave in Moscow on Thursday 20 June.

Mr. Delors had talks with President Gorbachev and with Valentin Pavlov, his prime minister, who created a stir at the beginning of the week by siding with the conservative revolt in the USSR legislature. Nonetheless, "the presentation of the outlook and of economic reforms in the Soviet Union (which I was given—LE MONDE editor's note) by Mr. Gorbachev and Mr. Pavlov was the same. I heard the same thing" from each, Mr. Delors said.

Perhaps we will find out more about the content of this "united" thinking after Mr. Gorbachev's eagerly awaited speech to the USSR Supreme Soviet deputies on Friday. According to the TASS report of the Delors-Gorbachev meeting, the Soviet head of state complained about the conservatives' current attitude: "Now that definite changes are taking shape," he said, "all those who are opposed to them are mobilizing, in parliament among other places. The conservative forces, with their so-called patriots, are in the front rank" of that mobilization. Regarding the specific direction of Mr. Gorbachev's economic plans, however, the same vagueness remains. Mr. Gorbachev simply confirmed to Mr. Delors that he found "common points" in the two programs currently on his desk—Mr. Pavlov's very conformist anticrisis program, and the much bolder Soviet-American plan presented by young Russian economist Grigoriy Yavlinskiy

On what bases does Mr. Gorbachev intend to formulate his proposals to the participants in the Group of Seven summit in London in July? The Soviet leader has apparently not yet completely decided because Mr. Delors had the impression that "his thinking was not definite" on this point. The European Commission chairman also warned journalists not to expect "any spectacular announcements" after the Group of Seven meeting: "Nobody imagines that Gorbachev will have four hours of talks at the Group of Seven meeting and will bring out a detailed program ratified by the summit's participants." The EEC has just set up a technical aid program for the reforms in the USSR worth \$450 million.

Finally, Mr. Delors, who again stressed that institutional reform in the USSR was "the vital precondition" for any economic reform, welcomed the progress made in this sphere, while obtaining "some idea" of the worries of the most militant republics, notably when listening to Russian Prime Minister Ivan Silayev.

West Belittles USSR Role in 'European Home'

PM2606163191 Moscow SOVETSKAYA ROSSIYA in Russian 21 Jun 91 First Edition p 5

[IAN correspondent V. Katin report for SOVETSKAYA ROSSIYA: "Apartments and Basements: How the All-European Home Is Being Built"]

[Excerpts] Luxembourg—It was in July of the year before last. In the packed hall of the European Parliament in Strasbourg M.S. Gorbachev persuasively and emotionally developed his idea of a "common European home." I observed the reaction in the hall: The deputies listened attentively and applauded harmoniously. The West always displays a certain restraint in its approach to any initiatives from Moscow. But this time the approval was unanimous: Nobody objected to Europe from the Atlantic to the Urals and from the Baltic to the Mediterranean Seas becoming a single economic, legal, and humanitarian space.

Two years have passed. What stage of construction has this home now reached? I put this question to senior European Parliament officials in Strasbourg and to members of the European Commission in Brussels and Luxembourg. Some smiled, saying that these were wonderful metaphors and aspirations, but nothing more... Others shrugged: "The common European home? I remember something along those lines..." A third group confirmed that the home is being duly built, but without the Soviet Union's participation. All the same, how is it going? [passage omitted]

I have to say that among European politicians, economists, and researchers there is no absolute identity of views regarding the merger of the 12 countries into one economic and geographical whole. The argument of eminent Swedish industrialist and financier Peter Wallenberg is indicative:

"The idea of European unity emerged after the war. The basic aim was to pit an economically powerful Europe against the Soviet Union," he says. "In current conditions, when the threat from the East no longer exists, the question arises as to whom Europe should confront now. Clearly, the point of a united Europe will be to counter the United States and Japan. The situation is quite simple: Europe exports 10 percent of its GNP, and the United States and Japan export 45 percent."

Here the problem of European unity is viewed on a global scale. A businessman with a turnover of billions is not interested in such "nuances" as the infringement of a particular country's national sovereignty or the loss of working people's social gains. European magnates and financiers are concerned only about how to compete with America and combat the ubiquitous Japanese. [passage omitted]

I once had a conversation with a colleague from the Luxembourg newspaper DIE ZEITUNG about EC humanitarian aid to the Soviet Union.

"Do not particularly flatter yourselves," he said. "You won't get far on these food parcels and donations, and they have other aims aside from the humanitarian purposes. In time, all this expense will be recouped in full in the form of political dividends."

And this is how T. Sorman [as transliterated], a researcher into East European problems who is very well

known in the West, reasons: "Of course, we have to help the Soviet Union. But this aid must be offered extremely selectively—to individual republics, groups, and people who really are seeking liberalization." [passage omitted]

West Europeans reproach us for the fact that internal disarray in our country has halted work in our area to build the common edifice. Belgian financial expert F. Dili [as transliterated] said in conversation with me: It is very risky to do business with a country—and particularly to grant credit—if it simply cannot decide in what direction to take its economy.

In general, such rebukes in our direction are justified. However, if you look at events and facts objectively, it is easy to see not just Moscow's goodwill but also its concrete contribution to constructive work on an all-European scale. It is thanks to the Soviet Union's new foreign policy and its new relations with East European countries that all the cardinal changes that have taken place on the continent recently became possible. The Soviet Union has lifted restrictions and bans on communications, contacts, and any forms of relations with the West, travel, trade, exchanges, and so on, and adopted a law allowing the country's citizens to travel freely abroad. For the first time an agreement has been concluded with the EEC on trade, commercial, and economic cooperation, and thus direct treaty relations have been established with this organization. Our country is also a participant and shareholder in the European Bank for Reconstruction and Development. New legislation on joint ventures now enables foreign capital to take part in the perestroika of the USSR economy on a market basis. Finally, the Soviet leadership has dissolved the

Warsaw Pact and made concessions in complex disarmament matters and in issues concerning the reduction of arms and troop contingents in Eastern Europe.

Is this not a solid contribution to building the "common European home"? However, Western sides, which talk so much about the architecture of the "common European home," now do not especially want to develop extensive contacts with Soviet people and organizations. Whereas at one time Europe reproached the USSR for violating human rights, alleging that people were not permitted to leave if they wanted to do so, now it is backpedalling and is doing everything possible to prevent immigrants from entering its "preserve." Special prohibitive laws are even being elaborated just in case there is a sudden exodus from the Soviet Union to the West. As for economic cooperation, a tiresome game has begun with credits, which are by no means free and are offered on an interest-paying basis: We will give you credits—we won't give you credits if... And this "if" is nothing more than interference in our affairs. For example, in the mutual relations between Moscow and the Baltic republics. NATO also has its own view of military detente. It is not enough that the bloc is reinforced via the addition of the GDR, its leadership is already looking toward former members of the Warsaw Pact.

There is a well known proverb: If something is worth doing, it is worth doing well. Likewise, if we are going to build a common home, then let's work together and in harmony on a project which suits everybody. The Soviet Union's goodwill on this score is backed up by concrete acts. Though we are experiencing our own difficulties, we will not shirk any work, even the hardest. The ball is now more in the West's court.

United States & Canada

Follow-Up on Yeltsin Visit to U.S.

LD2606115691 Moscow Radio Rossi Network
in Russian 1110 GMT 24 Jun 91

//Sergey Pustovoyt report on Russian Soviet Federated Socialist Republic President Boris Yeltsin's visit to the United States of America, including recorded remarks by Yeltsin; Yeltsin's recorded remarks are contained within quotation marks]

[Excerpts] This is Sergey Pustovoyt. Boris Yeltsin's visit to the United States at the invitation of the U.S. Congress was a triumph for the policies of the present Russian leadership. The aim of the first visit to America by the first Russian president was to establish business contacts in order to promote the fastest possible implementation of economic reform in Russia. The trip began with a surprise. At Shannon Airport, in Ireland, where his aircraft landed for refuelling, Boris Yeltsin found himself surrounded by fellow countrymen who were on their way from Moscow to New York.

[Unidentified voice] "It is said that you get useful assistance from astrologers and practitioners of extrasensory perception. Is that so?"

[Yeltsin] "I have never had anything to do with them, especially as they all got the result of the election wrong." [passage indistinct]

[Pustovoyt] En route to the United States, the Russian president's plane made another stopover at the Canadian airport of Gander, in Newfoundland. Barbara McDougall, the Canadian foreign minister, flew there from Ottawa to meet with Boris Yeltsin. She showed great interest in the development of business ties with Russia. Setting out his point of view on bilateral relations between Canada and Russia, Yeltsin said, *inter alia*:

[Yeltsin] "Maybe we should discuss the creation of a joint bank, a Canadian-Russian bank. We are in the process of adopting a law on foreign investment, in which we are creating big incentives and opportunities for foreign capital investment in Russia. We did not discuss any specific assistance or any specific sums, credits, and so on. But I think that Canada, which has been withholding aid to the Soviet Union because of the events in the Baltic republics, the violations of human rights there, could now send aid directly to Russia, since it sees that Russia supports the Baltic republics."

[Pustovoyt] [passage omitted] The evening of his arrival in the United States, Boris Yeltsin attended a reception held in his honor at the Soviet Embassy in Washington. Addressing embassy staff, and U.S. politicians and journalists invited to the reception, the president of Russia said, among other things:

[Yeltsin] "Many expressed doubt, saying that our people were not ready, that our people would check over and

over again before making their choice, that they were not ready for democratization, that they were not ready for the market, for privatization and private ownership. On the contrary, these elections have shown that the majority of the Russian people are not only ready for this, but are prepared to vote for it and to take part in this process. They are for private ownership, privatization, the switch to the market. They are for a civilized Russian state, for us joining the civilized world. Until now we have, unfortunately, not had this opportunity, because of totalitarianism and the unitary state that we belonged to.

"Yes, during the first three months of this year—January, February and March—we had great apprehensions about the future of democracy. At that time I was in agreement with the fears expressed by Shevardnadze, that dictatorship was quite possible in our country. It was only in April, when a rebuff was administered by democratic forces, when the president was warned that we would not allow, that Russia would not allow a deviation from this democratic path, that a breakthrough began. I think that the Nine plus One declaration on 23 April was a turning point in this respect. It can now be hoped that the situation will stabilize. Russia—having realized its wishes, and having elected the first president in its 1,000-year history, the president of the Russian Federation—firmly intends to follow the path of democracy, the path of the civilized world, and, sorrowfully, mindful of the experiment which was carried out on us and our country, to disregard Marxism.

"The first question when I stepped onto the hospitable American soil today was: How much money will you ask for? [laughter] My answer then—and now—is that this is not the reason why we have come here. We have come here to tell you the truth about Russia, to say that Russia is firmly following the path of democracy. It does not intend to head anywhere else. It is not going to alter course toward any bright future. We are in favor of a market economy. We intend to follow the path which we would have done earlier if we had had the chance. We do not intend to be deflected from this course."

[Pustovoyt] [passage omitted] The U.S. President's statement that the United States would pursue a new policy toward our country, to be more precise, two policies instead of one, had a sensational impact. U.S. relations with Russia and the Soviet Union would henceforth develop independently of each other. In reply, the president of Russia said, among other things:

[Yeltsin] "The nationwide election for the president of Russia, in which the majority of the Russian people expressed their views, shows that Russia has made its final choice, the choice of the democratic road, profound and radical economic, social, and other reforms. We also believe that the Baltic republics must be given their freedom. They must not be kept in chains because the Union cannot be maintained with chains. I want to assure you, Mr. President, and the American people, that everything positive which has been done by President

Nixon, by you, Mr. President, and by President Gorbachev on questions of security, cooperation and matters which reduce military tension throughout the world, constitutes a very great and very substantial road. Together with Gorbachev, we will try to continue following this path.

"Yes, in our country there still exist certain forces which think that it is possible to return to the old days, that it is possible to retrace our steps to the start of perestroika, to return our country to the days of stagnation. But I can authoritatively state that this will not succeed. Russia, which currently produces 70 percent of the country's national product, firmly intends to follow the path of democracy, and it will not allow any forces to reverse the course of history."

[Pustovoyt] Another sensation of that day was the following declaration by Boris Yeltsin:

[Yeltsin] "The RSFSR Supreme Soviet has adopted a law halting all assistance to all countries and regimes—all without exception, I wish to repeat. We have 280 million [no currency specified] outstanding in aid to Afghanistan this year. We have warned Najibollah that, from the second half of this year, aid to Afghanistan will be terminated. We ought to trade with them. Afghanistan has tobacco, fruit, and vegetables. It has products to trade, especially as Afghanistan has always known how to trade. We will build our relations with all our countries on the same basis, rather than simply help them, because charity really does begin at home, and 40 percent of our people at home are living below the poverty datum line."

[Pustovoyt] [passage omitted] The climax of Boris Yeltsin's visit to the United States was his public address at New York University, where he reviewed the results of the visit.

[Yeltsin] "My first visit since election as president, my visit to the United States is ending. What were its results? The program was a busy one, since it was packed into two days. It included meetings with senators and members of the House of Representatives, with members of the American Red Cross, the visit to the Lincoln Memorial, talks with the leaders and members of the Council of American Trade Unions, the meeting at the Center for Democracy, in Washington, the meeting at the Commerce Department with the commerce secretary, Mr. Mosbacher, the visit to the Pentagon, and the meeting with Mr. Cheney, the defense secretary, the meeting and talks with President Bush, the meeting and talks with Vice President Quayle, and also numerous meetings with U.S. business circles in Washington.

"The main objective was achieved. We briefed leaders of the United States and representatives of business circles on our vision of the prospects for the development of reform in Russia. We discussed the possibility of establishing business contacts. For the first time, during the meeting with President Bush, agreement was reached on

direct contacts between the United States and the Russian Federation, in addition to the existing contacts between the United States and the Soviet Union as a whole, the center, as we call it. I came here with my delegation to explain the position of the Russian leadership, to seek understanding of our position and support for the implementation of radical reforms in Russia, aimed at democratization of society, a switch to a market economy, and the introduction of privatization and all forms of ownership, including private ownership. We must create an atmosphere in Russia whereby we do not beg for money. Rather, those investors who wish to, should look upon Russia as a place to invest money of their own free will, and then obtain profit.

[Yeltsin continues] "Yesterday, Mr. Bush and I discussed four programs which ought to be implemented as a priority in Russia. These are joint programs, as it were. Mr. Bush agreed in principle to allow U.S. experts to take part in the drafting of these programs. The programs cover the processing and storage of agricultural produce, of which we now lose (?10 percent). There is a program for the conversion of defense enterprises. Over 80 percent of these enterprises, of the Union total, are located on Russia's territory. There is a program for the training and retraining of managers in skills which will make them able to run a market economy, to engage in entrepreneurship and privatization. Another area is the creation of joint Russian-U.S. banks and joint transportation companies.

"We were understood here in the United States. Yesterday, when they were introducing me at the (?Center for Democracy), they said in the biography they gave of me that in general I am a hooligan [laughter]—but there was a small addition, and they continued that this was of course during his childhood, no doubt, during his student days. Yes, they said, he was a bit, like any, like every young lad, he was a bit of a hooligan. But surely he isn't one now? [laughter] But when they asked me about my moral stance I said that for 35 years I've been living with just one wife. [laughter, applause] I understand that this is very surprising for you. [laughter]

"Closest to me, as the head, and as a citizen of Russia, is the problem of the choice of social development. In our day the greatest utopia in history is being wrecked, a utopia which for decades has determined the way of life of a third of mankind. It led to colossal losses, it resulted in the world being split and global confrontation between East and West. Hence, one of the most important lessons of our dramatic history is as follows: Following blindly even the most attractive and most perfect theory engendered by reason will inevitably lead to a tragic finale if there is no alternative.

"Having spent over 70 years under the oppression of a totalitarian system and a unitary state, Russia has made its final choice. It will not follow the road of socialism. It will not follow the road of communism. It will follow the

civilized road, the road that has been travelled by the United States and other civilized countries of the world. [applause]

"Your press is becoming agitated about the situation in our country, arising from Pavlov's statement at the USSR Supreme Soviet session. No matter what you may say about Pavlov, about the KGB and Kryuchkov, about Defense Minister Yazov, and certain others, the Russian Federation has made its choice. This choice has not been made by the RSFSR Supreme Soviet and government alone. During the voting in the elections for the president of Russia, the choice was made by the people themselves. This means that we will no longer be deflected from this democratic road. [applause] We have started the journey back toward civilization. We want a well-known truth to be the fundamental principle of life in Russia: The individual is the yardstick of everything, the yardstick of all actions, including political ones. The basis of our society's development should be freedom of economic activity, and not state coercion.

"The establishment of durable ethnic peace and accord is especially important in our conditions. Russia has 100 nations and ethnic groups. We consider our huge diversity of peoples to be a unique asset to Russia and the entire Union. Today, an intensive search is on to find the best form in which they can live together and integrate with one another. The epoch of the unitary Soviet state is receding for ever into the past. The republics are now setting up a new union, fortifying their position with a new, single economic space. I wish to stress that the leadership of Russia has always been and remains a convinced supporter of maintaining the Union. But we consider that a union cannot be created with chains. A union cannot be created with tanks, APC's, weapons and violence. It can only be a voluntary union. Therefore, if the Baltic republics wish to secede from the Union, they must unquestionably be given this opportunity. I believe that our people have the strength to revive Russia, a country in which every citizen will enjoy a range of rights and freedoms, which will enable him to create personal prosperity and, therefore, ensure the prosperity of the motherland."

Bush, Thatcher Discuss Soviet Reforms

*PM2606112591 Moscow IZVESTIYA in Russian
22 Jun 91 Union Edition p 1*

[From IZVESTIYA, TASS, IAN, RIA, INTERFAX, and REUTER roundup: "G. Bush Meets With M. Thatcher"]

[Text] White House Press Secretary Fitzwater has reported on a meeting between President Bush and M. Thatcher during which "a number of questions of mutual interest were discussed." According to Fitzwater, chief attention was devoted to M. Thatcher's recent trip to Moscow and her meeting with President Gorbachev. "President Bush asked her to set forth her views on the movement for reforms in the Soviet Union, particularly economic reforms. They also discussed the peace process

in the Near East, the refugee situation in Iraq, and the conclusion of the war with Iraq." At a news conference after her meeting with Bush Thatcher declared: "We are living through historic days—democracy has returned to the Soviet Union and must now be supported with the help of a full-scale economic reform."

Gorbachev Receives McDonalds President

*LD2606182191 Moscow TASS International Service
in Russian 1740 GMT 26 Jun 91*

[Text] Moscow, 26 Jun. (TASS)—Mikhail Gorbachev today received in the Kremlin the well-known Canadian entrepreneur and president of the McDonalds company George Cohon at the latter's request.

George Cohon told Mikhail Gorbachev about the activity of this company in the Soviet Union. He spoke about his interest in expanding cooperation with our country on a long-term basis and made proposals in this regard.

The USSR president issued instructions to work these up in specific terms.

China

Churkin Hails Border Agreement With PRC

*PM2706082991 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 25 Jun 91 p 1*

[Report by I. Chernyak: "A Big Success for Soviet Diplomacy"]

[Text] That [reference to headline] is what V. Churkin, head of the USSR Foreign Ministry Information Administration, called the May 1991 agreement about the line of the border between the USSR and China in a telephone conversation with me.

The agreement has been signed by the two countries' foreign ministers. It states that the Soviet-Chinese border will now run along river channels, and along watersheds on land. "Although a number of islands in the Amur, Argun, and Ussuri Rivers are being handed over to China, some are also going to the USSR," Churkin stressed.

The best known of the islands being handed over to the Chinese is Damanskiy Island. It is 500 meters wide and 1 km long. An armed confrontation took place here in March 1969. The Chinese opened fire. On the day of the attack, 2 March, 32 men were killed on our side, and there were also casualties during a second attempt to seize the island. After heavy fighting our border troops held Damanskiy Island against enemy attacks. Four men were made Heroes of the Soviet Union, and dozens received orders and medals.

The conflict occurred because in this place, as in many other places incidentally, the border between the USSR and China ran along the waterline on the Chinese bank—any Chinese who entered the river was deemed a

border violator. Border markers were not even erected on Damanskiy Island so as not to emphasize our neighbors' humiliating position: The island, you see, is located next to the Chinese bank.

"Now the border will be drawn in the way that is customary all over the world," V. Churkin said. "We think the signing of the agreement is a big success, since most of the border is now no longer a contentious issue. A number of interested ministries and departments, including the USSR KGB and representatives of the Russian Federation Foreign Ministry, took part in preparing the agreement.

"The agreement will come up for ratification in the USSR Supreme Soviet soon."

Ministry Confirms Transfer of Islands

LD2506180491 Moscow Russian Television Network in Russian 1700 GMT 25 Jun 91

[Text] A representative of the USSR Ministry of Foreign Affairs has confirmed that the island of Damanskiy and a few more islands in the Ussuri and Amur rivers which run along the border became the property of China in May.

Arkhipov Received by PLA Logistics Chief

PM2606094991 Moscow KRASNAYA ZVEZDA in Russian 22 Jun 91 First Edition p 5

[TASS report: "Visit Continues"]

[Text] Beijing, 21 Jun—The Soviet military delegation headed by Army General V.M. Arkhipov, USSR deputy defense minister and chief of USSR Armed Forces Rear Services, which is in the PRC has visited the Chinese People's Liberation Army [PLA] General Logistics Department, where it had a conversation with Colonel General Zhao Nanqi, director of the PLA General Logistics Department. They exchanged experience of the work of armed forces' rear services organs in the two countries.

On the same day the Soviet military delegation laid a wreath at the monument to the people's heroes on the main square in the Chinese capital.

Today Army General V.M. Arkhipov and his escort visited the PLA Rear Services Academy. Lieutenant General Yang Faxun, chief of the academy, spoke about the academy's history and work and the organization of the educational process. The delegation members were shown the departments of electronics, quartermaster and military medical services, and fuels and lubricants, along with the computer and programming laboratories. They met with professors and teachers and students.

Today the Soviet military delegation left on a tour of the country. It will visit Nanjing and Guangdong Military Districts, where it will be familiarized with the activity of PLA rear service enterprises and establishments.

Dalai Lama May Visit in July

OW2606043191 Moscow INTERFAX in English 1530 GMT 25 Jun 91

[From the "Diplomatic Panorama" feature; following item transmitted via KYODO]

[Text] The Buddhist spiritual leader Dalai-Lama may visit the Soviet Union next month, as our DP [Diplomatic Panorama] correspondent has been informed by an official of the Council on Religious Affairs of the Soviet Cabinet of Ministers Victor Efremov. The remaining question is giving the Dalai-Lama an entry visa. If this is settled, this will be his first visit to the Soviet Union (after an uprising in Lhasa, the capital of the Tibet autonomous region of China, the Dalai-Lama has for decades been living in India).

The visit will be strictly unofficial, due to a number of reasons. The invitation is extended by the Central Spiritual Board of Soviet Buddhists. On the initiative of that organisation the capital of the Buryat Republic Ulan-Ude and some other traditional areas of Buddhism in the USSR will celebrate the 250th anniversary of that religion within the Soviet Union. The celebrations will be held from July 10 to 31. The Dalai-Lama may take part in the festivities. Apart from Moscow and Ulan-Ude, he will also visit Elista, Chita and some other Soviet cities.

Northeast Asia

Soviet-Japanese Treaty Talks Begin in Tokyo

LD2706084991 Moscow All-Union Radio Mayak Network in Russian 0630 GMT 27 Jun 91

[Text] [Announcer] Soviet-Japanese consultations at deputy foreign minister level and a meeting of the working group on a peace treaty between the two countries started in Tokyo today. I will ask our correspondent in Japan, Konstantin Kupin, who has just contacted the Mayak "Panorama" studio, to speak about the details of the meeting.

[Kupin] Good morning, a routine eighth meeting of the joint Soviet-Japanese working group on a peace treaty is indeed underway at this time in Tokyo. It is well known that the absence of such [a treaty] between our countries is the main obstacle in the path of developing normal good-neighbor relations. The problem is the issue of territorial demarcation raised by the Japanese side. This is extremely complex from the historical and juridical viewpoints, and at present I have simply no time to speak of all the pros and cons advanced both by the Soviet Union and Japan.

So here, it is felt that the path of dialogue and mutual understanding is necessary as never before. But it is possible to say with certainty that it is in this key that the meetings of the working group are proceeding.

The work has only just started and at present it is still difficult to make any prognoses or conclusions. At present, all that is known is that today one of the discussion topics was the issue of simplified visa-visits by the Japanese to islands of the south Kuriles range. In parallel, Soviet-Japanese political consultations are under way at deputy foreign minister level. The Soviet side at these consultations is represented by USSR Deputy Minister of Foreign Affairs Comrade Rogachev, and the Japanese side by Japanese Deputy Minister of Foreign Affairs Hisashi Owada.

A meeting between Comrades Rogachev and Japanese Minister of Foreign Affairs Taro Nakayama is also planned for today.

[Announcer] Konstantin, I think that the sides will use the meetings in Japan and meetings in Tokyo not only to discuss the problems between our states but also to discuss international issues.

[Kupin] Yes, indeed. Well, of course the main topic of the talks between the two deputy foreign ministers is Soviet-Japanese relations, but of course one cannot exclude the opportunity to discuss topical issues of the international situation. Well, as is being particularly singled out here in discussing the international situation...[changes thought] the topic of the development of the situation in the Asian Pacific region is being particularly singled out, and the role which the Soviet Union and Japan are called on to play.

Comrade Rogachev and Hisashi Owada will also discuss the situation in Cambodia and on the Korean peninsula taking account of all the changes which have recently taken place in this region. So that is the main news at present.

Spokesman on Japanese Observer Invitation

OW2706061291 Moscow Radio Moscow in Japanese to Japan 1400 GMT 26 Jun 91

[Text] As already reported, the Japanese Defense Agency has rejected a Soviet request that they send observers to the Pacific Fleet's military exercise scheduled in August. A Radio Moscow correspondent called Colonel (Valentin Komarov), spokesman for the headquarters of the General Staff of the Soviet Navy, and asked his views on the Japanese rejection.

[Begin (Komarov) recording in Russian, fading into Japanese translation] Since I have worked for the Pacific Fleet for many years, I cannot ignore this issue. There is nothing I can do except express my regrets at the Japanese Defense Agency's decision. When the Soviet Union extended its first invitation to the Japanese Defense Agency, our neighbor in the Far East, to send observers to similar military exercises in January 1989, the Japanese side gave the same response that it did this time.

In my opinion, such an approach by the Japanese side is proof of Japan's chilly attitude toward Soviet proposals for establishing trust in military matters. Exchanges of observers at each other's military exercises would indicate intentions to build up a relationship of mutual trust.

In view of the reciprocity of this issue, it seems that it is inconvenient for the Japanese Defense Agency to accept the invitation. That is to say, if the Soviet invitation is accepted, Japanese defense circles would have to invite Soviet observers to Self-Defense Forces exercises in return.

Is it not desirable that our two nations develop mutual relations in military affairs and other fields? This might diminish the persuasiveness of the argument that the existing Soviet threat justifies various military projects in Japan. With the exception of this, I cannot think of any reason why the Defense Agency would reject development of military ties with the Soviet Union.

It is also observed in some quarters that the Japanese side has in particular rejected sending observers to exercises of the Soviet Pacific Fleet because the Northern Territories issue remains unsettled. However, this observation is certainly unpersuasive. For example, the Soviet Union and China still have unsettled border issues, but this does not constitute an obstacle to development of bilateral relations in military matters. Strengthening of mutual trust in military matters has made it possible for the Soviet Union and China to start implementing the concept of actual demilitarization of borders between the two nations. It has certainly facilitated the settlement of the border issue.

I think that development of military relations between the Soviet Union and Japan will also be a significant factor in settling the territories issue. [end recording]

Colonel (Komarov), spokesman for the headquarters of the General Staff of the Soviet Navy, concluded his remarks as follows:

[Begin (Komarov) recording in Russian, fading into the Japanese translation] Personally, I hope that sensible opinions will prevail and that the process of development that has begun in Europe will get under way in the Far East. [end recording]

Ivashko Has 'Frank' Talk With Japanese Group

PM2706084391 Moscow PRAVDA in Russian
25 Jun 91 Second Edition p 5

[Unattributed report under the general heading: "Official Reports"]

[Text] V.A. Ivashko, deputy general secretary of the CPSU Central Committee, has met with a delegation of parliamentary deputies from the Liberal Democratic Party (LDP) who are members of the Association of LDP

Parliamentary Deputies for Japanese-Soviet Cooperation, headed by K. Murata. The delegation is in Moscow at the invitation of the CPSU Central Committee.

They had a businesslike and frank exchange of opinions on a broad range of problems concerning questions of bilateral Soviet-Japanese relations, the situation in the Soviet Union, and the interconnection between perestroika processes in our country and the changes taking place in the world.

V.M. Falin, secretary of the CPSU Central Committee, and S. Edamura, Japanese ambassador to the USSR, took part in the conversation.

ROK Specialists Confer on Switch to Market

PM2606103591 Moscow IZVESTIYA in Russian
21 Jun 91 Union Edition p 4

[Report by V. Ganshin: "State En Route to the Market"]

[Text] A joint Soviet-ROK symposium entitled "The State's Role in the Transition to a Market Economy" was held in Moscow 17 through 19 June. It was organized on our side by the USSR Academy of Sciences Economics Department and the USSR Academy of Sciences Institute of International Economic and Political Studies Center for Asian Studies. Prominent scientists from the two countries and leaders of research centers delivered reports and briefings in the course of the debate.

The meeting's participants shared their experience of the transition to a market economy, particularly pointing out the importance of state control over this process in its initial stages. It was emphasized that a well thought-out structural strategy for the transition is needed, along with a legal and juridical foundation. In the view of ROK scientists, the human factor is extremely important: A totally different type of economy will also necessitate radical changes in mentality.

Attention was drawn to the interdependence of resolving the political aspects of cooperation in Northeast Asia and the Asia-Pacific region and developing economic contacts. To a considerable extent this applies to stepping up and deepening inter-Korean dialogue on the problem of unification. However tempting and promising the prospects of economic rapprochement may be, the political resolution of the question cannot be avoided here. A series of recent points (its attitude to the problem of separate UN membership and agreement to international inspection of nuclear installations on DPRK territory) indicates that Pyongyang is ready in principle to play a more constructive role in "unraveling" regional knots. In this connection particular significance is attached today to the quest for a political solution above all to the question of a settlement on the Korean Peninsula.

Summing up the result of the three-day debates, it was decided to continue discussing this important subject and meet once again in Seoul this December.

USSR-DPRK Medical Cooperation Discussed

SK2506054791 Moscow Radio Moscow in Korean
1330 GMT 17 Jun 91

[From the "Various Aspects of Cooperation" program]

[Excerpts] [First announcer] People living in the neighboring areas of Khavarovsk know well about a state-run company (Ekspa). (Ekspa) is a group of stock-holding enterprises.

For example, this company supplies all the shops in Khavarovsk with chicken meat. The company, however, is not limited to poultry goods. It has under its control deer-raising and bee-farming, and even tourism businesses.

A medical clinic specializing in oriental medicine has been operating successfully in Khavarovsk since last fall. Based on this, (Mannyon) Company under control of the DPRK Ministry of Public Health and the Soviet company (Ekspa) have set up a joint venture (Eksman).

This clinic, established for the employees of the (Ekspa), went out, literally, of the narrow framework of [word indistinct] from the beginning. The medical treatment employed by this clinic, which is not traditional, began drawing attention from not only the residents in Khavarovsk, but also from other regions. [passage omitted]

An oriental medical center has recently been established (based on this medical clinic). This center is guided by Mikhail Yi.

[Second announcer] Mikhail Yi said in an interview with this reporter: The pharmaceutical goods manufactured in our company are very expensive. This is because some of the base materials for manufacturing medicines are imported from foreign countries.

We have been making every possible effort to get supplies of such materials from local areas. We have now completed the building of a ginseng farm, along with [word indistinct] and the maximowiczia chinensis for their fruit. We also plan to build a medicinal stuffs processing plant.

Reflecting the growing public interest in the treatment based on the oriental medicine, we plan to open our company's branches in such cities as [name indistinct], Moscow, Leningrad, (Ulyanovsk), and [name indistinct]. Another such plan envisions the opening of a clinic specializing in the treatment of dental diseases.

In this clinic the Korean doctors will keep treating the patients with ultramodern Japanese medical equipment and medical technology.

We also plan to open a clinic specializing heart diseases.

Concluding his interview, Mikhail Yi said: I am convinced that cooperation between the medical doctors in Khavarovsk and their Korean colleagues will be mutually beneficial.

Southeast Asia & Pacific

Cambodian Peace Prospects Evaluated

91UF0892A Moscow PRAVDA in Russian
19 Jun 91 Second Edition p 4

[Article by Vsevolod Ovchinnikov: "Cambodia—a Protracted Search"]

[Text] The beginning of the summer was marked by extensive diplomatic activity in Southeast Asia. In the first days of July, a session of the Supreme National Council of Cambodia was held in Jakarta at the initiative of the cochairmen of the Paris International Conference on Cambodia (Indonesia and France), as well as the UN secretary general. Despite expectations, this meeting did not produce a breakthrough in solving the Cambodian problem. However, it was not a failure either because its results were both favorable and unfavorable. The main point is that the laborious process of settlement continues. On 24 June, the council will gather again; its forthcoming session in the Thai city of Phatthaya will be chaired by Sihanouk.

Meanwhile, the Cambodian topic served as a vehicle for other significant contacts between states in the region. During those days in June, President of the People's Republic of China Yang Shangkun discussed it in Indonesia and Thailand, and Minister of Foreign Affairs of Japan Taro Nakayama discussed it in Vietnam and Indonesia. Both of these visits are important in and of themselves as signifying a turn from many years of alienation to a dialogue between Beijing and Jakarta, and Tokyo and Hanoi. However, the heightened attention to the Cambodian issue indicates the common desire to finally extinguish the hotbed of tension in Southeast Asia.

The tragedy of Cambodia is a typical product of the "cold war," when all regional conflicts were viewed as a manifestation of a global confrontation between the East and the West. The bloody regime of Pol Pot was toppled 12.5 years ago, with the role of Vietnamese troops being decisive. The crimes of the regime against its own people and its subversive activities against neighboring states are common knowledge. However, since Moscow supported the action of Hanoi, Washington did everything in order to mobilize the public opinion of the world against it.

Military intervention by Vietnam made the resolution of internal issues of Cambodia dependent on Soviet-American, Soviet-Chinese, and Chinese-Vietnamese relations. This is why there was no success in extinguishing the hotbed of tension in Southeast Asia for such a long time. Only in recent years have the external forces drawn into the conflict developed a common interest in settling it. Factors such as a transition of Moscow and Washington from confrontation to cooperation, the end to a disagreement between Beijing and Moscow, and the efforts of Hanoi to normalize relations with both Washington and Beijing have played a role.

The more the ice of the "cold war" has melted the more vigorous the role of the world community has become in stopping regional conflicts. In 1989, the Paris International Conference on Cambodia was held with the participation of the ministers of foreign affairs of 19 states. For the entire following year, the five permanent members of the UN Security Council worked intensively on draft agreements on the comprehensive political settlement of the Cambodian issue.

The main provisions of these "framework documents" were approved in principle by all participants in the conflict. However, objections arose in Phnom Penh on a number of practical issues, first of all, with regard to transferring key ministries to the control of the UN Provisional Committee. After all, in this case, the government, which controls nine-tenths of the territory of the country, would be, in essence, removed from power even before the beginning of the election campaign. Second, there are doubts concerning the possibility of disarming all the four opposing sides to a certain level because it is incomparably more difficult to control the disbandment of the combat detachments of the three opposition groups than that of government troops. Finally, third, this has to do with more reliable guarantees against "the policy and practice of genocide," that is, with preventing a return to power of the former Pol Pot people who have the mass murders of 1975 to 1978 on their conscience. Having failed in 12 years to gain control of Cambodia by force, the Khmer Rouge hope to reinforce their position by means of political maneuvers. It is no accident that in Jakarta the Khmer Rouge refused to discuss any refinements of the United Nations "framework documents," and stated by way of an ultimatum: Either Phnom Penh accepts these documents without reservations, or a temporary cease fire will be discontinued.

However, there are also hopeful factors as far as prospects for a settlement are concerned. First of all, it is gratifying that China has supported the Soviet-American initiative and discontinued military deliveries to Cambodia. Second, Japan has expressed its readiness to play a key role in turning Cambodia, as well as Vietnam and Laos, "from a battlefield into an arena of trade." We may only welcome participation by the second economic power of the world in the restoration of long-suffering Indochina. I believe that practical aid to the UN peace-making mission in Cambodia would boost the international prestige of Japan and its political role in the world.

As I see it, it will become considerably easier to complete the long search for peace in Southeast Asia if the foundation for a settlement outlined by the Paris International Conference on Cambodia and refined by the five permanent members of the Security Council in their "framework documents" is complemented by constructive cooperation from an Asian country as influential as Japan is.

Opening of CPV Congress Noted; Shenin Present

PM2706090591 Moscow PRAVDA in Russian
25 Jun 91 Second Edition p 5

[Report by special correspondents M. Domogatskikh and P. Tsvetov: "CPV Congress Opens"]

[Text] Hanoi, 24 Jun—Precisely 1,176 delegates from all generations of Vietnamese Communists, more than half of whom are attending the party's supreme forum for the first time, are taking part in the Seventh Communist Party of Vietnam [CPV] Congress that opened in Hanoi today. This attests to the fact that the policy of renewal has affected the 2 million Communists too.

Each of our party's congresses, Vo Chi Cong, member of the CPV Central Committee Politburo, said, opening the forum, in its time was of importance for the development of the country and its revolutionary cause. But the seventh congress is of particular importance since it will not only assess what has been done, but will also map out areas, goals, and the main tasks for the period ahead. For the first time it will adopt a party program, along with a concept for the transitional period toward socialism and a strategy for the stabilization of socioeconomic development through the year 2000.

Nguyen Van Linh, general secretary of the CPV Central Committee, delivered an accountability report entitled "Continuing Renewal Toward Socialism."

During the evening sitting foreign delegation heads greeted the congress. O.S. Shenin, Politburo member and CPSU Central Committee secretary, greeted the forum on behalf of the CPSU.

Japanese Red Cross Aid Arrives in USSR

91U08974 Moscow SOVETSKAYA ROSSIYA
in Russian 19 Jun 91 First Edition p 2

[TASS report: "An Action of Solidarity"]

[Text] Khabarovsk, 18 June (TASS)—The Red Cross Society of Japan has embarked on the extensive action of providing humanitarian aid to the Soviet Union. The first shipment of medicines and foodstuffs for hospitals and child-care facilities was delivered here today. Such freight will arrive in the Soviet Far East regularly until the end of July.

Koiti Hiraide [as transliterated], department chief in the Bureau of International Relations of the Japanese Red Cross, said: "Japan has approached the complex economic situation which the Soviet Union is experiencing with understanding. Our money collection drive was supported by the government of Japan, as well as a number of companies and private individuals. Within a short time, almost 1.3 billion yen was collected, for which about 30 types of medicines and foodstuffs were purchased. Arrangements for delivering and distributing aid have been worked out with the cooperation of the Soviet Red Cross Society. The freight will be delivered

by planes from Niigata to Khabarovsk, and by seagoing vessels to the ports of Maritime Kray and Sakhalin. We believe that it is our human duty to support our neighbors at a difficult time. After all, at one point the Soviet Union rendered invaluable assistance to Japan by sending the necessary amount of vaccine to control an epidemic of poliomyelitis.

Australian Minister Confers With Rogachev

PM2706090991 Moscow IZVESTIYA in Russian
25 Jun 91 Union Edition p 6

[Unattributed report: "Soviet-Australian Political Consultations"]

[Text] USSR Deputy Foreign Minister I.A. Rogachev paid a working visit to Canberra 19-21 June. In the course of talks with G. Evans, Australian minister of foreign affairs and trade, his deputies M. Costello, R. Bulcott, P. Field, and other officials, they thoroughly discussed the most pressing international and regional problems along with questions of Soviet-Australian relations.

They broadly examined prospects for the development of the situation in the Asia-Pacific region, the role played by the USSR and Australia, and their cooperation in shaping qualitatively new interstate relations here and strengthening peace and security in the Asia-Pacific region. Great attention was devoted to considering the means of most speedily settling the Cambodian problem.

The sides spoke in favor of retaining dynamism in developing ties between the two countries in various spheres and maintaining vigorous political dialogue.

East Europe

Government Responds to SFRY Crisis Developments

Foreign Ministry Statement

PM2606212791 Moscow PRAVDA in Russian
27 Jun 91 Second Edition p 5

[Unattributed report: "USSR Foreign Ministry Statement"]

[Text] The Croatian and Slovenian parliaments adopted documents yesterday declaring these republics' independence and sovereignty. These unilateral actions have not been recognized by SFRY state bodies and cannot be regarded as promoting the resolution of Yugoslavia's complex problems.

The Soviet Union continues to consistently advocate the unity and territorial integrity of Yugoslavia; the inviolability of its borders, including its internal borders; and the right of the peoples of Yugoslavia to decide their own future; it also supports the federal structures of authority that are striving to preserve the Yugoslav state.

Our country bases its relations with the SFRY on the principles of the 1988 Soviet-Yugoslav Declaration and fundamental CSCE documents. We will act in accordance with the statement issued by participants in the first CSCE foreign ministers conference, who unanimously favor the democratic development, unity, and territorial integrity of Yugoslavia and the peaceful resolution of the crisis in the SFRY.

Moscow Radio on Statement

LD2606192991 Moscow Radio Moscow World Service in English 1900 GMT 26 Jun 91

[Text] As the Soviet Foreign Ministry declared today, the USSR favors Yugoslavia's unity and territorial integrity and a peaceful solution to its crisis.

A statement notes that the unilateral declaration by the parliaments of Croatia and Slovenia of their independence and sovereignty has not gained any recognition from Yugoslavia's state bodies and cannot be regarded as conducive for a solution to that country's complex problems.

Bulgarian Editor Prodev Interviewed

PM2606134391 Moscow PRAVDA in Russian 21 Jun 91 First Edition p 5

[Interview with Stefan Prodev, editor of Bulgarian newspaper DUMA, by correspondent L. Zhmyrev in Sofia; date of interview not stated; first two paragraphs are introduction: "Thoughts About DUMA"]

[Excerpts] Sofia—He was one of the persecuted figures of Bulgarian culture. In February 1990 at the 14th Bulgarian Communist Party [BCP] congress Stefan Prodev was elected chief editor of the newspaper RABOTNICHESKO DELO, now published under the title DUMA. In the opinion of many people it was DUMA which last year ensured the socialists' victory at the elections. And it is not surprising that in September 1990 at the 39th Bulgarian Socialist Party congress S. Prodev was elected chief editor of the socialists' newspaper. A detail of some importance: S. Prodev steadily retains first place as the most popular journalist in Bulgaria.

We met recently in the "hurly-burly of daily life." I think that PRAVDA readers will be interested to familiarize themselves with his credo as an editor and a man. [passage omitted]

[Zhmyrev] About Soviet topics in DUMA. I remember that RABOTNICHESKO DELO almost mechanically reprinted the speeches of Soviet leaders. Even when the issue was already taken up with a speech by T. Zhivkov and there was nothing else to "browse" over. Now there is the other extreme. Sometimes there is not even a mention of the USSR president's most important speeches or of events in our country. With what is that connected?

[Prodev] I must say that you have touched on one of the most complex problems for DUMA. In our country now anti-Soviet propaganda, to use the old term, is now in full swing and is being mounted very actively: It is one of the main missions of the opposition press and the opposition in general. We have forces (and they are gathering increasing energy) which absolutely openly and absolutely specifically want to stop normal, natural ties between Bulgaria and the USSR. They are trying to cast doubt on the long-standing cooperation between the two peoples and the two countries. These forces are trying to prove that one of Bulgaria's tragedies lies in its close ties with the Soviet Union. They want to compromise our friendship with Soviet people, to instill in the readers of their publications the idea that their true friends are in the West.

For me personally this is a very dishonorable, perfidious game which could have a bad effect on the development of our national life. I am deeply convinced that we cannot manage without Russia. That is proved by our history and our living link today. Russia enriches us culturally, economically, and I would say morally. And not only because we have spent the past 45 years living the same political destiny, sharing difficulties and successes. We have in my view a psychological gene: A Bulgarian by instinct—both national and political—cannot turn his back on Russia.

People ask: Why does DUMA contain few articles and notes defending this stance? Yet our newspaper is the only one in Bulgaria which is trying to stop the campaign against everything Soviet and to oppose that campaign. To this end we publish economic features and surveys by scientists and economic leaders. They show graphically, with figures to hand, what economic ties with the USSR mean to us.

We also publish articles by cultural figures Y. Radichkov, S. Rusev, I. Dimitrov, and others who defend our peoples' spiritual values. I myself have also written about this. We seek forms of opposing overt anti-Sovietism which do not mock or provoke national feelings. Because the opposition press also has influence and is creating feelings and convictions which it is not that easy to overcome.

[Zhmyrev] Against the background of the quite lamentable fate of former East European party publications like TRYBUNA LUDU and SCINTEIA, your DUMA looks simply miraculous, a Bulgarian phenomenon. You have not only survived, you have even grown stronger. Why in your view are you colleagues in other countries failing?

[Prodev] I think it is connected with the specific conditions of the East European process. It would be wrong to link the failures of the former fraternal newspapers only with the feeble work of their journalists collectives or with failure to understand modern problems on the part of their leaders. It would be a very simplified viewpoint.

Perhaps the strength of our newspaper lies in the strength of our party? In contrast to others the former BCP did not collapse, it was able to maintain its combat morale, which lives in the Bulgarian Socialist Party to this day. It is that which is an enormous help to our newspaper.

The explanation of the "phenomenon" is that we did not remain without support. Moreover, there is something almost fatal in our newspaper's links with the mass of Bulgarian Socialist Party members. People live with the deep conviction that if DUMA disappears they will lose a guideline. They cannot imagine their lives without a newspaper which helps them to endure insults, attacks, and lies from impudent political opponents.

There is a happy coincidence here between the mass party readership, which does not want to be deceived and offended, which is struggling for its dignity and for ideas which have by no means died in Bulgaria. That is on the one hand. On the other our DUMA, knowing of these feelings, does not conceal its sympathies, its "color," does not flirt with the reader but has a deep respect for his desire for the truth.

I shall cite a specific example. In Bulgaria there were very big newspapers like TRUD, OTECHESTVEN FRONT, NARODNA MLADEZH, and others. And what happened? Many of them (I shall not say all, but many) have lost their readership, influence, and interest. And not because they have become professionally worse but because they tried to play some kind of game of independence and tried to stand above events. At the moment which we are experiencing in Bulgaria, under the conditions of the sharp polarization in politics and spiritual life and the active battle for survival, for justice, and for democracy an independent position does not find supporters. The reader is such that he seeks the newspaper which defends his specific ideals, views, and stance. And it seems to me that it is here that DUMA has not slipped up. It has preserved a very specific and very clearly delineated political line. [passage omitted]

West Europe

Temporary Halt to Troop Withdrawal Considered

LD2606135391 Berlin ADN in Germany 1314
GMT 26 Jun 91

[Text] Zossen (ADN)—The Supreme Command of the Western Group of the Soviet Army in Wuensdorf, Zossen region, is considering temporarily halting the planned withdrawal from Germany. From July of this year, the speed of the troops return is to be reduced. In a statement from the press center of the Soviet troops given to ADN today, the reason for this decision is given as the fact that the German side has not yet begun the housing construction.

"If the special program for the construction of civilian dwellings is not fulfilled, and consequently no dwellings are available for the families of the officers who are

withdrawing, then the Supreme Command of the Western Group of Armed Forces feels it is forced to put the question of a temporary stop to the planned withdrawal of the troops from the territory of the FRG", the statement says. A spokesperson for the Federal Ministry for Economic Affairs, in reply to an enquiry, told ADN that the Supreme Command of the Soviet Armed Forces' account does not correspond with the facts. The housing project has already begun, and there is no reason to delay troop withdrawal.

In accordance with the treaty between the USSR and the FRG on the conditions of the temporary stay and scheduled withdrawal of Soviet troops from the territory of the FRG, the Western Group of Armed Forces is fulfilling "the obligations to observe the plan and the time limits for the withdrawal of troops from Germany, strictly and completely". "Nevertheless, the Soviet side is forced to reduce the speed of the withdrawal of USSR troops from July this year because the majority of officers' families, who are returning in the second half of 1991, are to get apartments which, in accordance with Article 3 of the agreement between the governments of the USSR and FRG of 9 October 1990 on several transitional measures, are to be built by the German side in 1991", the Supreme Command confirmed.

Reason for Suspension Given

LD2606184191 Moscow TASS International Service
in Russian 1741 GMT 26 Jun 91

[Report by correspondent Vyacheslav Katayev]

[Text] Berlin, 26 June (TASS)—A statement by the press center of the Western Group of Forces has been circulated here which states that in accordance with the treaty between the USSR and the FRG on the conditions for the temporary stay and planned withdrawal of Soviet troops from the territory of the FRG, the command of the Western Group of Forces has striven in 1991 strictly and rigorously to fulfill the obligations which they had taken on themselves on observing the plan and schedule for the withdrawal of Soviet troops from Germany. However, at the present time, the command will be forced to raise the issue of a temporary suspension or a reduction in the pace of the planned withdrawal of troops from the territory of the FRG, starting in July. This is explained by the fact that the majority of officers and their families who are due to return home in the second half of this year have no housing. This should be built by the German side in 1991 in keeping with Article 3 of the 9 October 1990 agreement between the Governments of the USSR and the FRG, the statement stresses.

Koivisto Concludes Visit to Moscow

OW2606045191 Moscow INTERFAX in English
1230 GMT 25 Jun 91

[Following item transmitted via KYODO]

[Text] Finland's President Mauno Koivisto concluded his official visit to the USSR. The visit went on in a businesslike and constructive atmosphere. IF's [INTERFAX's] correspondent learned at the Soviet foreign ministry that Moscow and Helsinki agreed to use all forms of settlement, such as barter, compensation and other transactions, with a view to overcoming the difficulties in bilateral trade that emerged lately.

According to foreign ministry officials, the talks in Moscow confirmed that Finland recognizes the inviolability of the present borders and therefore the so-called "Karelian question" does not exist in bilateral relations.

The two sides came to an agreement on expanding ties and contacts between Finland and adjoining areas in the Soviet Union, through increasing the number of checkpoints on the border too. The issue of Soviet military activity on the Kola peninsula and Novaya Zemlya was not raised.

Foreign ministry officials described as extremely correct Finland's attitude to the issue of Baltic republics whose status, according to Helsinki, should be settled only by constitutional means.

Details on the visit of Mauno Koivisto to the USSR will be given in our today's edition of "Diplomatic Panorama".

Yeltsin Meeting With Finnish President

PM2606135391 Moscow ROSSIYSKAYA GAZETA in Russian 26 Jun 91 p 1

[Report by Olga Burkaleva: "Meeting of Two Presidents"]

Russian President B. Yeltsin met with Finnish Republic President Mauno Koivisto, who was in Moscow on an official visit at the invitation of USSR President M.S. Gorbachev, 25 June in the House of Soviets on Krasnopresnenskiy Embankment.

V. Lukin, chairman of the parliamentary Committee for International Affairs and Foreign Economic Ties, and A. Kozyrev, RSFSR [Russian Soviet Federated Socialist Republic] minister of foreign affairs, participated in the meeting on the Russian side. Finnish Republic Foreign Minister P. Vayrynen and Finnish Ambassador to the USSR H. Talvitie participated in the meeting on the Finnish side.

The president of Finland congratulated the president of Russia on his election to the high state post, expressed satisfaction with the current development of the political situation in our country, and showed interest in the internal processes taking place in the USSR. Yeltsin noted that Russia and Finland already have close contacts and expressed the hope that this meeting would facilitate their development and deepening. At the request of the leader of Finland the president of Russia acquainted him with the political and socioeconomic

situation in the Russian Federation and with the relations between the federation and the center.

Answering journalists' questions, Yeltsin expressed satisfaction with the outcome of the meeting. He said that there was talk of reorienting mutual relations between Russia and Finland toward direct ties. An understanding was reached that a group from the Russian leadership will visit Helsinki, where it will discuss jointly with the Finnish side a program for direct ties between our states and the potential for implementing it.

Soviet Warships To Be Scrapped at Finnish Yard

PM2606154191 Moscow IZVESTIYA in Russian 24 Jun 91 Union Edition p 6

[Report by correspondent V. Shmyganovskiy: "Finland: Final Mooring for Soviet Submarines"]

[Text] Helsinki—In the quiet resort of Naantali near Turku, renowned for its fine wooden architecture, there has appeared what the Finnish newspapers are calling a "new tourist attraction." It is the Soviet submarine U-516, which has been towed in from Riga.

The final voyage, the final mooring... The ship will end its 36 years' service in the Baltic here. It will be cut into scrap metal by local specialists and sold to... the British. Broadly speaking, that is how Hamiscrap, the partner in the joint venture, will discharge its duties.

The Soviet side will supply the "raw material," that is, the once formidable warships, the Finns will show their skill in destroying them, and the proceeds will be split three ways. It is reported that this will keep 60 people employed for at least two years.

Among other things, Naantali will receive 10 old Whisky-class submarines (to use NATO jargon) for scrapping. HUFVUDSTADSLADET writes in this regard that eventually it will be the turn of the "famous" U-137, which is awaiting its fate at the base in Baltiysk.

Ten years ago this submarine went aground off the Swedish city of Karlskrona—and became known throughout the world as "Whisky on the rocks" (the name of a drink). The fact, long and persistently denied by our command in those days, of entering Swedish waters was suddenly and embarrassingly confirmed.

It is estimated that in total the firm will destroy 127 Soviet warships. HUFVUDSTADSLADET calls this a "unilateral disarmament" caused by economic factors. Around 50 ships are destined for Naantali. In addition to Whisky-class ships the more powerful Zulu-class submarines (NATO terminology again) and the 210-meter Sverdlov-class cruisers are expected here.

Osmo Salo, the director of the work, also serves as a guide—to journalists and tourists.

"The armament and electronic systems have been removed from the ships at their bases," he said. "All

hazardous and toxic substances—oil and asbestos—have been removed as well. We shall be working two shifts possibly even after 1993."

"Is the scrap metal business profitable nowadays?"

"No, the bottom has fallen out of the market, we get less than 1 Finnish mark per kilogram. But warships contain many types of nonferrous metals, and these are worth a lot. For example, they form one-quarter of a Whisky-class ship—that is 200 tonnes."

It is possible that some ships will be cut up in the Far East or perhaps in Hong Kong. The press writes that it is virtually unprecedented for a superpower to send so many warships to other countries to be scrapped. But what option is there if we clearly cannot handle the job of giving our fleet a dignified sendoff? The evidence of that is provided by the many graveyards of obsolete destroyers and submarines. So it is better to make use of someone else's experience and earn some money from it.

Incidentally, one word of advice to the naval command. It would be a good idea to use the resulting revenue here in Finland to buy floating stations for clearing bilge out of ships. The Rauma firm's senior shipyard in Uusikaupunki has already supplied four such stations to our river passenger fleet. These stations process cruise liner bilge.

Our warship bases are unfortunately not renowned for their cleanliness. Is it possible to sacrifice the price of one new submarine to protect nature?

Incidentally, the bilge transferred to the floating stations is turned into harmless ash and after purification the water is ten times cleaner than that in which Leningraders bathe by the Peter and Paul Fortress, for example.

I think that the ultimate purpose of conversion is not only to produce mincing machines and baby carriages but also to pay greater attention to the natural environment. No one would object to such a use of the resources obtained from the "disarmament" in Naantali.

Kohl Advocates 'Aid for Self-Help' to USSR

PM2706091191 Moscow IZVESTIYA in Russian
25 Jun 91 Union Edition p 1

[From IZVESTIYA, TASS, URAL-AKTSENT, BALTFAX, and REUTER roundup: "Patience and Restraint Needed"]

[Text] Speaking in Johanniskreuz, FRG Chancellor Kohl said that a lasting, just, and peaceful European system should include both the democratic states of North America and the peoples of the Soviet Union. One of the most important tasks in the coming years will be to "increasingly include the USSR in shaping Europe's future" both in the political sphere and in the sphere of security, the economy, and culture.

We want to help the Soviet Union resolve existing problems, Kohl indicated. It is a question of major problems. This requires patience and restraint. In this connection I voice my resolute commitment to a policy that presupposes "vigorous provision of aid for self-help." I deliberately use the word "self-help," the chancellor said, "since the Soviet Union must implement its decisions on reform and since from outside we can only provide a boost and offer aid as far as we are able." I am sure, he noted, that President Gorbachev intends to continue the policy of new thinking. It is my firm conviction that he realizes that there is no way back.

Moscow Mayor Receives German SPD Chairman

LD2206175391 Moscow Central Television First
Program Network in Russian 1200 GMT 22 Jun 91

[From the "television news service" program]

[Excerpt] A delegation of the German Social Democratic Party, led by its chairman Walter Momper, has held a meeting in Moscow with the capital's mayor.

[Correspondent Bestuzhevaya—identified by caption] Of course, there was a serious and very amicable conversation about the problems of mutual relations between the two capitals. And I think that it is important that during the process, two concrete projects have emerged.

[Popov] We are currently discussing different ways in which we will both receive mutual economic benefit and both our interests will be satisfied. In particular, the issue has arisen of setting up a Berlin House in Moscow, or a Moscow House there. This would, of course, be both a cultural center and scientific center, and at the same time, it should also be a trade center and a hotel. Should firms cooperate actively with us on this, then we could build it fairly quickly. [passage omitted]

Bessmertnykh Notes Relations With FRG

PM2606102791 Moscow PRAVDA in Russian
24 Jun 91 Second Edition p 7

[TASS report: "Military on Peace. Meeting Between A. Bessmertnykh and H.-D. Genscher and USSR and FRG Servicemen"]

[Text] Potsdam, 23 Jun—In Potsdam, the capital of Brandenburg, soldiers and officers from the Western Group of Forces and the Bundeswehr gathered for a meeting that coincided with the 50th anniversary of the start of fascist Germany's attack on the Soviet Union.

The two countries' national anthems were played in the hall of congresses adorned with the USSR, FRG, and Brandenburg flags and, in the presence of USSR and FRG Foreign Ministers A. Bessmertnykh and H.-D. Genscher, M. Stolpe, head of the Brandenburg Government, opened the meeting.

Addressing the meeting's participants, A. Bessmertnykh recalled the scale of the loss of life sustained by the

Soviet, German, and other peoples in the course of the monstrous military catastrophe unleashed 50 years ago. The first significant step toward overcoming mutual mistrust was taken with the signing of the Moscow Treaty in 1970.

The situation in Europe has undergone fundamental changes as a result of the policy of new thinking initiated by the Soviet leadership six years ago, making it possible to realize—in a form acceptable to everyone—the Germans' desire for the restoration of their state unity. The Treaty on a Definitive Settlement in Relation to Germany and a wide range of bilateral treaties and agreements have raised USSR-FRG relations to a qualitatively new level.

I would like to believe that united Germany will be the master of its own destiny while remaining profoundly conscious of its growing responsibility to the future. By the end of 1994 the last Soviet soldier will have left German soil. Everything must be done to ensure that our servicemen leave as good friends. A. Bessmertnykh stressed.

Fifty years after this fateful date, H.-D. Genscher said, the peoples of the FRG and the USSR are united by their desire to create together a new political culture of communal life that will rule out war forever. Today Germany and the Soviet Union confirm their devotion to freedom, democracy, and human rights. They are the inalienable foundation of the common European home.

In 1990 the Soviet Union did not hamper German unification. This is a manifestation of trust in the German people. The USSR thus created in the hearts of Germans the basis for a new friendly attitude toward itself and, from the viewpoint of the prospects for security and cooperation, will gain far greater advantages from German unification than from the existence of two German states, he pointed out.

Greek Communists Report on USSR Visit

*LD2106185191 Moscow TASS in English 1752 GMT
21 Jun 91*

[By correspondent Vladimir Malyshev]

[Text] Athens June 21 TASS—Leaders of the Soviet Communist Party made no attempts to give recommendations to Greek Communists, Aleka Papariga, general secretary of the Central Committee of the Communist Party of Greece, stated here today. She returned from Moscow, where she had been at the invitation of the Soviet Communist Party. The Greek Communist delegation held talks with leaders of the Soviet Communist Party and was received by Mikhail Gorbachev.

During our talks in Moscow we heard important and valuable ideas, she said. But each party acts on its own in its own country, and no attempts were made to give recommendations to the Communist Party of Greece.

No pressure was exerted by Gorbachev concerning the internal developments in our party, the leader of Greek Communists stressed.

Papariga pointed out that the Soviet and Greek Communist Parties agreed on the need for developing collective cooperation between communist, socialist and social democratic parties. She supported in this connection the initiative of French Communists to convene an international conference to discuss the role of communists and their relations with other parties ("with the exception of fascists").

Touching upon Greek-Soviet relations, Papariga said that the Soviet Union "wishes to develop trade relations with Greece and points out that a visit to Moscow of Prime Minister Konstandinos Mitsotakis will result in the expansion of cooperation between the two countries."

Greek Shipping Company Hiring Soviet Crews

*PM2606132991 Moscow PRAVDA in Russian
25 Jun 91 Second Edition p 1*

[PRAVDA-TASS report: "Under the Panamanian Flag"]

[Text] For the first time in the Soviet merchant fleet's history, Soviet seamen are sailing under the Panamanian flag. Greek crews aboard the Greek tankers the Hikari-2 and the Eastern Navigate have been replaced by crews from the Maritime Steamship Company headed by Captains I. Gavrilov and V. Vinchel. The Soviet specialists have been hired by the Greek company Adriatic Tanker Shipping and will work aboard its ships, which sail under the Panamanian flag, for a year. Our seamen's departure for work abroad will provide an opportunity for earning extra foreign exchange.

Yeltsin Seeks Economic Cooperation With Turkey

*TA2106103091 Ankara ANATOLIA in English
0930 GMT 21 Jun 91*

[Text] Washington (A.A.)—Boris Yeltsin, the president of the Soviet Union's largest republic, currently on an official visit here, said on Thursday the Russian Republic wants to develop its economic cooperation with Turkey.

Yeltsin told A.A. that Russia attaches special importance to its relations with neighboring countries.

He said he had agreed with President Turgut Ozal during Ozal's visit to Moscow earlier this year to develop bilateral economic relations and that Russia is targeting economic cooperation with Turkey.

Yeltsin said the number of Turkish companies working on construction projects in Moscow should be increased.

He said Ozal had invited him to Turkey but that he first had to settle Russia's domestic problems.

"There is a lot to do. Problems should be taken one at a time," he said.

During his current visit Yeltsin has met U.S. President George Bush and other senior U.S. officials.

Italian Foreign Minister on USSR Aid Package

OW2106050791 Moscow INTERFAX in English
1230 GMT 20 Jun 91

[Following item transmitted via KYODO]

[Text] Italy welcomes the decision to invite the Soviet leader Mikhail Gorbachev to the London meeting of the Big Seven. In an interview for IF's [INTERFAX] correspondent in Berlin where the countries involved in the Helsinki process are concluding their conference today the Italian foreign Minister Gianni de Michelis said that the West must shoulder a share of responsibility and risk connected with reforms in the USSR. Italy intends to uphold this stand in London.

There is a condition which many view as very objective that we would like the Soviet Union to meet: Sign an agreement between the central government and republics, a new union treaty, said de Michelis. We wish to know our concrete partner with whom we'll deal in concrete terms, the Italian foreign minister explained. And without such an agreement it would be simply impossible to start joint enterprise on a large scale.

With reference to the Baltic republics' participation in the Berlin conference Gianni de Michelis noted that a decision on the status of the invited can be taken only by consensus. He dismissed the supposition that the cautious attitude of the West to this issue is explained by its unwillingness to create additional difficulties for President Gorbachev. The Western attitude to this issue is clear, he said. We stand for a fair and lawful solution: Recognition of independence for Latvia, Lithuania and Estonia by the Soviet Union. Nevertheless, said de Michelis, it's necessary to observe the rules of the game: The Helsinki Act and the final Paris document which provide for trust and for respecting the rights of all.

Gurenko Represents CPSU at PDS Congress

PM2606101191 Moscow PRAVDA in Russian
24 Jun 91 Second Edition p 7

[Report by correspondent Al. Stepanov: "Three Days of Debate"]

[Text] Berlin, 23 Jun—Delegates to the Second Party of Democratic Socialism [PDS] Congress spent three days in intensive debates and disputes, which sometimes carried on long after midnight.

They managed to cram a great deal into these few days—a quest for their "niche" in the political spectrum of German parties, confirmation of the PDS' vitality,

discussion of the report delivered by PDS Chairman Gregor Gysi and the party's program theses, and a debate on the statutes.

Delegates to the Second PDS Congress took part in a number of events to mark a tragic date for both our peoples—the 50th anniversary of the start of the attack on the USSR perpetrated by Hitler's Germany.

A CPSU delegation headed by S.I. Gurenko, member of the CPSU Central Committee Politburo and first secretary of the Ukrainian Communist Party Central Committee, took part in the congress.

Gorbachev Receives Publisher Maxwell

LD2606133391 Moscow TASS International Service
in Russian 1310 GMT 26 Jun 91

[Text] Moscow, 26 Jun (TASS)—Mikhail Gorbachev today received Robert Maxwell, president of the British publishing corporation "Maxwell Communications". He was accompanied by H. Baker and S. Pizar.

During the conversation, which was marked by mutual understanding and goodwill, there was discussion of the link between the profound reforms in the Soviet Union and the new trends in international relations. In this context issues concerning Soviet economic involvement in the system of world economic ties were touched upon.

Yevgeniy Primakov and Valeriy Boldin took part in the meeting.

Pavlov Departs on Visit to Austria

LD2706083891 Moscow TASS in English 0707 GMT
27 Jun 91

[Text] Moscow June 27 TASS—Soviet Prime Minister Valentin Pavlov today left for Vienna on the invitation of Austrian Chancellor Franz Vranitzky.

Pavlov is expected to meet President Kurt Waldheim of Austria and hold talks with Vranitzky to discuss prospects for Soviet-Austrian relations and the development of trade, economic, scientific and technical cooperation.

The Soviet prime minister is also planning to meet Austrian business people and visit industrial enterprises.

Arrives in Vienna

LD2706095791 Moscow TASS in English 0933 GMT
27 Jun 91

[By correspondent Vladimir Smelov]

[Text] Vienna June 27 TASS—Soviet Prime Minister Valentin Pavlov arrived in Austria on a three-day official visit today. He was invited by Federal Chancellor Franz Vranitzky and the Austrian Government.

At Vienna's Schwechat Airport Pavlov was met by Vranitzky and other officials.

A guard of honour was mustered on the airfield.

Soviet Ambassador to Austria Valeriy Popov was among the welcoming party.

Latin America & Caribbean

Mexican President's USSR Trip Outlined

LD2706095491 Moscow TASS International Service
in Russian 0307 GMT 27 Jun 91

[By correspondent Aleksey Likurtsev]

[Text] Mexico City, 27 Jun (TASS)—The Mexican secretary of foreign affairs has spoken at a press conference here about the forthcoming visit by the president of Mexico to Europe and the USSR. He stressed Mexico's desire for continuing friendship and cooperation with the USSR, and outlined the prospects for signing agreements on cooperation in science and technology, space exploration, and eliminating the consequences of elemental disasters, and the participation of Mexican experts in reconstructing two oil refineries in Baku with the use of Mexican technology.

"The program of the visit envisages meetings between C. Salinas de Gortari and USSR President M.S. Gorbachev, B.N. Yeltsin, chairman of the Russian Soviet Federated Socialist Republic Supreme Soviet, representatives of science, culture, art and politicians from our country. Meetings with well-known Soviet economists are also planned for Salinas De Gortari, whose economic policy has allowed Mexico to achieve considerable success in socioeconomic development over the last few years."

Commentary on Situation in El Salvador

PM2706143591 Moscow PRAVDA in Russian
24 Jun 91 Second Edition p 6

["Editorial Office Commentary": "Drama Awaiting a Denouement"]

[Text] There exist in the world's political landscape not just hot spots but—without any exaggeration—volcanic spots, on whose condition and temperature a very, very great deal depends. One of them is El Salvador, a small yet comparatively densely populated country in the restless Central American region. A country where an armed conflict has now been going on for 11 years between left-wing insurgents and the landowning oligarchy propped up by gendarme-minded generals and generous U.S. aid.

Some 75,000 dead and material damage to the tune of \$4 billion—this is the terrible cost of this civil war. A cost paid by the Salvadorans themselves, and by them alone. This was evidently why the mistaken idea that no one outside El Salvador, no matter what his motivations, should join in settling the problem from outside, was current in some of our publications. But why not, in fact? Has that country's tragedy not acquired also a region-wide and, what is more, a global dimension...?

Let us ponder: The long-awaited peace has only to be restored in El Salvador, and the irreversibility of national reconciliation in Nicaragua, which is not far distant, will at once become more likely. Moreover, with the ending of the Salvadoran conflict, the chances of gradual normalization of U.S.-Cuban relations, frozen at an extremely low mark, will be sure to increase. The point is that the White House has declared Havana's traditional solidarity with the Salvadoran partisans one of the chief obstacles in the way of setting up an official dialogue between the United States and Cuba. And we believe that the entire world community would benefit from such a dialogue. Including the Soviet Union, on which falls, to a considerable degree, the very great cost of the anti-Cuban trade and economic blockade.

...The present, most promising stage of negotiations between the Salvadoran Government and the insurgents has now been continuing for 14 months. According to certain assessments, the sides have managed to eliminate almost 95 percent of the disagreements that existed. But here is the bad luck: The remaining 5 percent actually represents the chief and most painful problem. It is a question of the key partisan demand for a reform of the Salvadoran Armed Forces.

In order to make themselves and the population of some 30 liberated regions secure against revenge by goons, the insurgents are trying to ensure the punishment of military men guilty of repression and also a change in the very concept of national security. Strong guarantees of constitutional control over the military and the abandonment of the orientation of army circles to the struggle against the "internal enemy" are needed.

All this is so. But while the enumerated demands are still only being discussed, it is necessary to urgently halt the bloodshed and announce at least a temporary cease-fire. And this is not just an abstract wish from a single source—from Moscow, let us say. Washington has been obliged increasingly frequently to make sober, albeit belated, corrections to the bankrupt strong-arm approach. Thus, it has been pointed out very seriously in the Soviet-U.S. consultations held on regional problems in recent months that neither punitive expeditions against Salvadoran insurgents nor sallies by them in return are capable of bringing a settlement nearer. In other words, there are virtually no disagreements between Moscow and Washington over the fact that it is time for the opposing sides in El Salvador to end the armed struggle. And this was confirmed, in fact, by the recent meeting between USSR Foreign Minister A. Bessmertnykh and U.S. Secretary of State J. Baker in Berlin.

Indeed, all who are interested in ending "local wars" not in words but in practice ought to heed the authoritative opinion of the leaders of Soviet and U.S. diplomacy.

Further on El Salvador Situation

91UF091 A Moscow KRASNAYA ZVEZDA in Russian
20 Jun 91 First Edition p 3

["Observer's Column" article by Viktor Vinogradov: "El Salvador on the Threshold of Peace?"]

[Text] As early as April 1990 in Switzerland the first direct contacts took place between representatives of the Salvadoran government and the Farabundo Marti National Liberation Front (FMLN). Even the very fact that this meeting took place could not fail to be gratifying. Meeting at the negotiating table were two sides which had waged an uncompromising struggle to destroy one another. The participants set the goal of calling a halt to the 11-year armed conflict, which had taken the lives of 75,000 Salvadorans and caused harm to the country's economy estimated at \$4 million.

There is no denying that the negotiations proceeded with difficulty. The uncompromising nature of the opposing sides and the combat activities that are continuing between them had their effect. But still, as a result of the 13 rounds of negotiations that have taken place up to this point with the mediation of the United Nations, the positions of the opposing sides have come significantly closer together, thus inspiring hope in the hearts of those in favor of peace in El Salvador.

In this connection, the last round of negotiations, which have begun in the Mexican city of Queretaro, have drawn special attention. Both sides expressed a readiness at this very meeting, which proceeded with the mediation of a personal representative of UN Secretary General, Alvaro de Coto, to try to reach agreement on the remaining points of the agenda for the negotiations. These include reorganization of the armed forces, which traditionally play an immense role in the life of Salvadoran society, and also the development of a cease-fire mechanism.

Let me note that right before this an announcement came from Washington stating that the American Congress had decided to postpone the renewal of military aid to El Salvador for at least another three months. This was done, in the words of the congressmen, so that the two sides would finally achieve success in the continuing negotiations, since the FMLN leaders had refused to discuss the question of a cease-fire as long as such aid from the United States was at the disposal of the government.

Salvadoran President Alfredo Cristiani immediately accused Nicaraguan armed forces of delivering more surface-to-air missiles to insurgents of the Front and immediately flew to Washington. Upon the completion of his visit he announced that the United States completely supports his position in the negotiations. But, as he told information agencies, he did not get a renewal of military aid. As for the alleged deliveries of surface-to-air missiles to the Front, the official representative of the

Nicaraguan armed forces strongly denied President Cristiani's assertion and stated that if such missiles had appeared in El Salvador, they did not come from Nicaragua.

But still, since both sides have come to the meeting in Queretaro, there are chances of achieving concrete results. But with one indispensable condition. What? It was discussed clearly on the very eve of the meeting by Salvadoran Archbishop Gregorio Rosa Chavez. Speaking at a press conference in the Salvadoran capital, he criticized President Alfredo Cristiani and the leaders of the Farabundo Marti National Liberation Front for their lack of a "national conscience" and demanded that both sides ease their positions and exert maximum efforts to achieve the long-awaited peace in the country.

If this happens, and if both sides are able to set aside their ambitions and be guided by the country's real national interests, then the headline from one of the local newspapers will be quite justified. It wrote that "Salvador is on the threshold of peace." But so far, unfortunately, one can only place a question mark at the end of this sentence, as we have done in our headline. But we tend to believe that it will be possible to remove it in the near future.

Venezuelan Politician Against Pressure on Cuba

PM2506090191 Moscow IZVESTIYA in Russian
21 Jun 91 Union Edition p 4

[Report by G. Charodeyev on interview in Moscow with I. Cardoso, secretary general of the Christian Democratic Organization of America and chairman of Venezuela's Christian Social Party; date not given: "I. Cardoso: Cuba Must Resolve Its Problems Itself"]

[Excerpts] An international seminar which examined democratization processes in the Soviet Union and Latin America in interconnection with the future of world civilization has come to an end in Moscow. Ilarion Cardoso, secretary general of the Christian Democratic Organization of America [OCDA] and chairman of Venezuela's Christian Social Party, was among its numerous guests.

In conversation with IZVESTIYA's correspondent he voiced a high assessment of the results of the meeting and stressed that the gap between the positions of Soviet and Latin American scientists and politicians is closing despite differences in their approach to highly acute problems of mankind's contemporary development [passage omitted].

"Cuba has the only government in the region," I. Cardoso reckons, "that has come to power by nondemocratic means. We are convinced that dialogue within the country between various political forces on the one hand and F. Castro on the other is now overdue. In addition, the changes in political and economic relations in the world should influence the restoration of democracy on the island. However, we do not think that the regime

there should be influenced from outside, for instance, by continuing the economic blockade. Cuban totalitarianism cannot be eliminated by the superpowers. The Cubans themselves should settle this internal Cuban affair." [passage omitted]

"People in Venezuela, Argentina, Bolivia, and Peru," the OCDA secretary general said in conclusion, "have always regarded the Soviet Union with suspicion. Moscow was considered the enemy of world democracy and the supplier of arms to antigovernment groupings. That, in my view, is the reason for our poor political and economic ties in the past. Our relations will now change for the better. The whole world knows that the USSR wants to live in peace and harmony with all states, develop a market economy, and render its society more open and more humane. I believe that we will enter future world civilization hand in hand."

Chilean Economy Minister's Activities Reported

*PY2706030891 Santiago Radio Chilena Network
in Spanish 1700 GMT 25 Jun 91*

[By special correspondent Maria Cristina Prudent from Moscow]

[Text] Yevgeniy Primakov, one of the five members of the USSR Security Council and the main negotiator of bilateral affairs with the United States, has received Economy Minister Carlos Ominami in his Kremlin office. After the meeting Minister Ominami reported that Primakov explained that the USSR's greatest problem is figuring out how to accelerate the transition to a market economy.

[Begin Ominami recording] As for the unity of the Soviet Union, the problem has been resolved to a great extent. Their greatest problem, according to Primakov, is how to

accelerate the transition to the market economy. This is the big question, and it is closely connected to the G-7 summit. [end recording]

Ominami explained that the whole assistance program run by the Soviet Union depends on the possibility of accelerating the transition to a market economy, which means that prices must be liberalized and that there must be a large supply of products. He added that Primakov told him that they will destroy everything if they liberalize the economy, so they are looking for other ways to compensate for the situation.

As for how the Soviets view the Chilean economic model, Minister Ominami said Primakov believes that some economic agents became ideological under the military regime and that Soviet authorities are more cautious on this subject. Clodomiro Almeyda, Chilean ambassador to the USSR, was also present at the meeting between the Chilean economy minister and Yevgeniy Primakov.

In the afternoon Minister Carlos Ominami met with a group of Soviet economists encompassing different lines of thinking. They asked him about various topics related to our country's economic development. Minister Ominami quickly explained to them how the whole Chilean economic process evolved under the military regime until the democratic government took over and had to tackle the problems left by the military government, appropriately combining democracy, economics, and social needs.

We can also report that Minister Ominami will tomorrow sign a trade agreement which some sectors are impatiently awaiting; it should imply some form of liberalization and trade opening for various Chilean investors who are here to become familiar with this country's industrial development and to make the necessary contacts to enter this market.

Supreme Soviet

Kryuchkov at Closed Supreme Soviet Sitting

PM2706080191 Moscow SOVETSKAYA ROSSIYA
in Russian 27 Jun 91 First Edition p 3

[Reprint of a POLITIKA (No. 7, June 1991) report on a closed USSR Supreme Soviet sitting 17 June followed by a POLITIKA interview with Viktor Alksnis; first three paragraphs are introduction: "Closing Stages in Novo-Ogarevo"]

[Text] A great deal is being said behind the scenes about the closed USSR Supreme Soviet sitting 17 June and it is being discussed by Western diplomats and correspondents in Moscow.

The ministers of defense and internal affairs, along with the chairman of the KGB—unexpectedly for many deputies and observers—spoke, as it were, in support of the prime minister's request for the Cabinet to be allocated the necessary powers. The facts they cited also made such a strong impression on the Supreme Soviet that it decided to conceal the stenographic report of this sitting from the country's population.

But the POLITIKA editorial office nonetheless succeeded—in general terms—in finding out what the leaders of the three departments said at the sitting.

USSR Defense Minister D.T. Yazov said:

"The talks on a 50-percent cut in strategic offensive arms are coming to an end. We will be destroying roughly 6,000 units of nuclear munitions and approximately 800 launch vehicles, for which roughly 5 billion rubles [R] will be needed. The troop withdrawal from Hungary has been completed. Five troop trains remain to be dispatched from Czechoslovakia. Another four divisions are to be withdrawn from Germany this year."

D.T. Yazov then dwelt in detail on the problem of accommodation for the personnel of the units to be withdrawn from the groups of forces. In particular he said:

"The Germans have allocated DM7.8 billion [German marks] for housing construction. We competed with foreign firms for the contracts. A Finnish firm won—it will construct housing DM1,000-1,500 cheaper—along with a Turkish and an Austrian firm. The Germans by no means agree with the fact that these foreign firms should build the housing."

The minister spoke of the possibility of suspending the troop withdrawal.

"Following Gorbachev's announcement that we would cut back 500,000 personnel, we discharged 100,000 officers. Of whom 50,000 have the right to a pension, while 35,000 were discharged at their request and will not have pension provision. At present we are 13,048 officers over strength. But that by no means signifies that

there are no posts: On the contrary, even when it comes to officers we are 8-percent undermanned—mainly junior commanders. And 13,000 officers naturally have to seek posts. After all, some still have to two or three months left to serve before they retire on pension.

"It has not proved possible in many regions to move those men who have been discharged away from the closed military camps. Consequently, those men who have been appointed to these posts have been left without housing. There are currently 10,800 officers without apartments in Moscow. We ourselves can only build 2,500 apartments. There are roughly 5,000 people without apartments in Leningrad. A state resolution must be adopted stipulating that, in addition to military construction workers, the republics themselves should build a certain amount of housing."

The USSR defense minister went on to describe the situation that has developed as regards the draft for active military service.

"To date the troops are undermanned by a total of 353,000 men. Why are we failing to carry out the plan for the draft? Because virtually all the Union republics have adopted laws rendering the draft virtually impossible. In a number of republics the plan for the draft has been just 6-percent fulfilled—in the Baltics, Armenia, and Georgia. The draft is proceeding normally in Uzbekistan, but the president has banned young draftees from Uzbekistan being sent to military-construction units. Since it is military-construction units that are currently building housing for officers, the program for 82,000 apartments will naturally not be carried out. If we continue to conduct the draft in this way, by the end of this year the Armed Forces will be 79-percent manned. Provided that we disband all the divisions that we are withdrawing from the Western Group of Forces. Undermanning in the border troops has reached 12 percent and the Ministry of Internal Affairs [MVD] troops are up to 20 percent undermanned.

"I would ask the Supreme Soviet to adopt some kind of unequivocal decision regarding the draft for active military service. Last year the number of female students dropped by 90,000: Young men are striving to become students on any pretext. It is rightly being said that we now have a worker-peasant army. Soon we **won't have** any Armed Forces because all the republics' presidents are demanding that Armenians serve in Armenia, Azerbaijanis in Azerbaijan, and Ukrainians in the Ukraine. The Armed Forces can only exist with one-man command. When everyone issues commands, you no longer have armed forces.

"In the near future we are to destroy more than 20,000 units of armored and other hardware. We have enough repair plants to dismantle the equipment, leave some things, smelt some things down, and even bring the state some revenue."

B.K. Pugo, USSR minister of internal affairs:

"The MVD is taking steps to normalize interethnic relations, above all in matters of safeguarding law and order and the population's security. The presidential decree of 25 July 1990 as regards confiscating weapons and disbanding illegal armed forces is being implemented. In the period since 1 August 1990 52,000 firearms and 4.5 tonnes of explosive have been confiscated throughout the country. I would like to remind you that when an explosion occurred recently on the railroad—you probably remember—and the last freightcar was blown up, according to specialists' estimates, something in the region of 20kg of explosive were used in this freightcar. Here it is a question of 4.5 tonnes of explosives, 1.3 million rounds of ammunition, 1,500 units of motorized transport, and 240 radio sets. Several divisions could be equipped with that quantity of arms. In the period August 1990 through May 1991 five armored vehicles, 1,770 firearms, including four machine guns, 264 submachineguns, and 326 pistols were confiscated on Azerbaijani and Armenian territory. In the last five months 382 firearms, including 10 machine guns, 115 submachineguns, and 78 pistols have been confiscated on the territory of South Ossetia. However, as you realize, the problem cannot be resolved by military means, by law-enforcement efforts. Interethnic conflicts can only be resolved by political means, through negotiations and dialogue."

KGB Chairman V.S. Kryuchkov said, in particular:

"At a time when executive organs of power should be acting particularly vigorously and effectively, preventing universal chaos and anarchy, attempts are being made to block their work and prevent constitutional order and stability being maintained in the country. It is understandable and justifiable to display tolerance and flexibility and strive to resolve the problems that arise by political means. However, there are limits beyond which authority simply must be exercised. It is necessary to be persistent and determined on the main point—defending the USSR Constitution, which no one has, incidentally, abrogated, fulfilling the will of the people, clearly evinced in the all-Union referendum on preserving the USSR, and ensuring citizens' rights and legal interests."

"Integration processes are under way throughout the world because that is the will of the time and there is no other way out. Yet in our country a vigorous process of disintegration is under way. Of course, the reason for the current disastrous situation is above all domestic. But I am also bound to say that some external forces are taking vigorous action in this. I would like to make a small digression here and draw your attention to an extremely remarkable document which the KGB foreign intelligence service sent to our country's supreme leadership in 1977. This document can now be divulged because the source will no longer be in danger. The document was stamped 'top priority,' [osoboy vazhnosti] 24 January 1977. It was addressed to the CPSU Central Committee and entitled 'On CIA Plans to Acquire Agents of Influence Among Soviet Citizens.'"

V.A. Kryuchkov read aloud this short document signed by Yu. Andropov which says that today "...U.S. intelligence is setting itself the task of recruiting and training agents of influence among Soviet citizens, and in the future promoting these people into the sphere of Soviet political, economic, and scientific management. The CIA has formulated programs providing individual training for agents of influence, training that envisages their acquiring espionage skills, along with their concentrated political and ideological indoctrination. What is more, instruction in management methods used by the economic leadership is one of the most important aspects of these agents' training. The U.S. intelligence leadership plans deliberately and insistently, with no consideration of expense, to seek out people capable by virtue of their personal and professional qualities, of holding administrative posts within the government apparatus in the future and performing tasks set by the enemy. The CIA proceeds on the premise that the activity of individual, unconnected agents of influence pursuing a policy of economic sabotage and the distortion of instructions issued by the leadership will be coordinated and directed from a unified center set up within U.S. intelligence. According to the CIA plan, the purposeful activity of the agents of influence will help create certain domestic difficulties within the Soviet Union, hold up our economic development and conduct scientific research in the Soviet Union in futile areas. In formulating the above plans U.S. intelligence proceeds on the premise that increasing Soviet contacts with the West have created favorable preconditions for these plans to be put into effect in contemporary conditions. According to statements by U.S. intelligence officials whose task is to immediately embark on work with these agents among Soviet citizens, the program currently being implemented by the U.S. special services will promote qualitative changes in various spheres of the life of our society..."

"Even today, in the era of the new political thinking, people in the West have no intention of renouncing this secret activity that has already borne some fruit. One U.S. document entitled 'Requirements for the Intelligence Service in the Nineties' says: 'In the decade ahead U.S. intelligence organs' secret operations against the USSR will be an important instrument of U.S. ruling circles' foreign policy activity,'" V.A. Kryuchkov said.

Viktor Alksnis

[POLITIKA] Viktor Imantovich! What comment could you pass on the closed section of the USSR Supreme Soviet sitting 17 June 1991 at which the ministers of internal affairs and defense and the KGB chairman spoke?

[Alksnis] I cannot disclose the details of what was discussed, but I can say that the leaders of these government structures who have all the information at their fingertips said that if extraordinary measures are not taken **our country will cease to exist!** And that our people are being deceived by all manner of Union Treaties and

other tales on the same lines! That is why I am very concerned at the information given at the sitting. The truth is, after all, being concealed from our people.

In return we hear assurances that everything is going OK, just a little bit further and everything will be fine... But in reality—I stress this once again—our country is on the verge of destruction! And we may indeed perish.

[POLITIKA] There have been reports that Yavlinskiy's mission, which supposedly consists in extracting credits from the West worth hundreds of billions of dollars, is just utterly utopian!

[Alksnis] Yes! Prime Minister V. Pavlov incidentally mentioned this too. They can give us no more than \$20 billion. Moreover, this will be offered in return for major political concessions—that is we have to renounce our sovereignty! It is a question of the life and death of our state and the explanation for what is happening in our top echelons of power has to be sought in the wordings of the Criminal Code.

We are at the abyss and we now need to investigate those people who have pushed us into this abyss.

[POLITIKA] It looks as though the ministers of internal affairs and defense, the KGB chairman, and the prime minister are talking about one thing, while Gorbachev thinks differently.

[Alksnis] The point is that a mood of panic prevails among the country's top leadership today: The time has come to tot up and our credit balance is zero. Despite the fact that Anatoliy Ivanovich Lukyanov tried to persuade us that there are no disagreements, the people must know the truth: There is no unity within the country's top leadership. Today the prime minister was forced to go over the president's head to the Supreme Soviet for powers because he cannot perform his duties: Everything is being blocked by the republics, on the one hand, and the president, on the other.

[POLITIKA] This is reminiscent of the situation in which Ryzhkov found himself at one time.

[Alksnis] Yes! And Pavlov will also be a hostage, he'll be surrendered once more, he'll be made a whipping boy in order to defuse the situation.

[POLITIKA] It looks as though Yavlinskiy with his program is acting as the detonator that wrecked the program put forward by Ryzhkov's government and is now wrecking Pavlov's program.

It's strange: Someone without authorization—either from the Cabinet of Ministers or the Supreme Soviet—has suddenly gone to the West and is holding some kind of talks there.

[Alksnis] Because those are the rules of the game in our political establishment. That's how policy is implemented in our country: Decisions are adopted by a

narrow circle of people. The Supreme Soviet and the Cabinet of Ministers are only onlookers during this process.

I myself do not have a very high opinion of this cumbersome structure which takes the form of the Congress of USSR People's Deputies and this ineffectual Supreme Soviet. But today—paradoxical as this may seem—they are to some extent the guarantors of stability. They are the only legitimate bodies in law today. Whereupon some people have emerged, trying to break them up.

[POLITIKA] What are these agents of influence that Kryuchkov mentioned?

[Alksnis] This does not mean that a person is a CIA agent, a spy who photographs secret documents under the bedclothes at night. No, an agent of influence is merely a person with whom good-neighborly relations are established and is advised or recommended—not for money of course—to act in a particular way. This forms part of the set of methods used by the special services: Both our intelligence service and the U.S. intelligence service have these agents of influence. It's a kind of lobbying. Homegrown, U.S. lobbying is permitted in the U.S. parliament, while foreign lobbying is banned. We evidently have foreign lobbying too.

No Date Set for Congress Union Treaty Debate

LD2706100191 Moscow TASS in English 0935 GMT
27 Jun 91

[By TASS parliamentary correspondent Ivan Ivanov]

[Text] Moscow June 27 TASS—"No specific date has yet been proposed for the convocation of a Congress of Soviet People's Deputies to consider the draft treaty of Union," spokesman for the Soviet Parliament Arkadiy Maslennikov told TASS commenting on press reports alleging the congress was due to assemble from August 27-29.

According to Maslennikov, the Presidium of the USSR Supreme Soviet met on Tuesday, June 25 to discuss the matter. It was stressed at the meeting that the congress should be convened after the draft treaty is discussed by the USSR Supreme Soviet and republican parliaments. As not all republican parliaments have made their stand on the draft public and the USSR Supreme Soviet has held no hearings on the issue, nothing definite can be said about the date of the congress convocation. Maslennikov added. According to the spokesman the USSR Supreme Soviet will discuss the draft treaty of Union during one of the closing meetings of its current session that is expected to end on July 12. "Proceeding from all this, the congress may be expected to convene at the end of August or the month after that".

Supreme Soviet Issues Appeal on War Anniversary*PM2606113591 Moscow IZVESTIYA in Russian**22 Jun 91 Union Edition p 1*

["USSR Supreme Soviet Address to the Peoples of the Soviet Union"—IZVESTIYA headline]

[Text] Dear compatriots!

All together and each one of us individually, let us turn our memory to the tragic and terrible day of 22 June 1941 and the predawn hour of that day when the western borders of the Soviet country exploded with fire and thunder and the motherland began groaning with pain, grief, and anger. Thus the war which the people called the Great Patriotic War began half a century ago. Thus began the 1,418 days and nights of the deadly, bloody skirmish with fascism in the name of saving not only our homeland but also all world civilization.

Let us remember the unified upsurge of all the country's peoples, who rose to struggle against the enemy invasion. Let us remember the fortitude of the Red Army fighters in the battles which developed from the Barents Sea to the Black Sea, the self-sacrifice of the workers and peasants and of the Soviet intelligentsia in the rear, the bitter days and nights of retreat and the joy of triumphant battles. All this happened, and our long and hard path to victory took shape out of this.

We ended the war in the place from where it came to our land. But what a price we had to pay for victory! More than 8 million Soviet servicemen laid down their lives on the battlefield. In all, the war took the lives of 27 million of our citizens. More than 1,700 cities and more than 70,000 villages and hamlets were destroyed, the economic setup and way of life fell into decline over vast territories, and thousands of plants and factories were reduced to ruins. We brought these cities and villages back to life, rebuilt enterprises, and tilled and sowed grainfields scorched by the war. And this too was our victory!

Time is taking us further and further from those days and events. Half a century already separates our life today from the June days of 1941. And malicious forgetfulness is already beginning to affect some people, while some, from the vantage point of time, are trying to apply a reduced scale to the battles and the victims of war.... But no one will ever take away the courage of the brave, the glory of the heroes, or the victory of the victors! No one, ever!

On this sorrowful day let us bow our heads before the memory of those who fell on the battlefields, in the enemy rear, and in fascist camps! Let us remember once again the unexampled labor of old men, women, and children in the shops of enterprises, in the fields, and in livestock units. Their contribution to the victory was invaluable and immeasurable. And may the memory of

them arouse a bright feeling in the heart of each of us and find expression in a good deed for the good of the motherland.

The lessons of the war must not be forgotten, however much the external and internal conditions of our life might change. It is the state's duty to its people to maintain vigilance and to show the necessary concern for the USSR Armed Forces. Our motherland's defense capability and the inviolability of its borders, both ensured at an adequate level, are the guarantee of successful implementation of the reforms begun by us.

Today, when the homeland is living through difficult days, let us remember that the cohesion of Soviet people and the friendship of the USSR's peoples were an important component of the victory. Let us remember this, dear compatriots, all who value the destiny of our multinational country, who advocate its speediest overcoming of the crisis, and for whom the interests and needs of every Soviet family and every home are near. Let us pool our efforts. Let us pool them and direct them toward preserving our renewed power, opening up new horizons of progress before it, and, on this basis, acquiring new hope and new confidence in the future, in whose name millions upon millions of Soviet people fought and gave their lives.

May our memory of what was experienced be eternal!

We wish you, dear compatriots, peace and happiness!

Political & Social**Draft Union Treaty Published***CM2706085591 Moscow PRAVDA in Russian**27 Jun 91 Second Edition p 3*

["Draft Treaty on the Union of Sovereign States"—PRAVDA headline]

[Text] The draft "Treaty on the Union of Sovereign States," which has been repeatedly and in detail examined, amended, and clarified by plenipotentiary representatives of the republics, the Federation Council, and the preparatory committee set up by the Fourth Congress of USSR People's Deputies, is being published.

The draft has been sent for examination to the Supreme Soviets of the republics and the USSR Supreme Soviet.

Draft Treaty on the Union of Sovereign States

The states that have signed the present treaty, proceeding from the declarations of state sovereignty they have made and recognizing the right of nations to self-determination;

Taking into consideration the proximity of the historical destinies of their peoples and fulfilling their will for the preservation and renewal of the Union expressed in the referendum of 17 March 1991;

Striving to live in friendship and concord and ensuring cooperation based on equality of rights;

Wishing to create conditions for the all-around development of every individual and reliable guarantees of his rights and freedoms;

Being concerned for the material well-being and spiritual development of the peoples, for the mutual enrichment of the national cultures, and for ensuring common security;

Drawing lessons from the past and taking into account the changes in the life of the country and throughout the world, have decided to build their relations within the Union upon new principles and have agreed on the following.

I. Basic Principles

1. Each republic, which is a party to the treaty, is a sovereign state. The Union of Soviet Sovereign Republics (USSR) is a sovereign, federative, democratic state, formed as a result of the unification of equal republics and exercising state power within the bounds of the powers with which the parties to the treaty voluntarily invest it.

2. The states comprising the Union retain the right to decide independently all issues of their development, while guaranteeing equal political rights and opportunities for social, economic, and cultural development to all peoples living on their territory. The parties to the treaty will operate on the basis of a combination of values common to all mankind and those belonging to individual nationalities and will resolutely oppose racism, chauvinism, nationalism, and any attempts to restrict the rights of peoples.

3. The states comprising the Union regard as a most important principle the preeminence of human rights, in accordance with the UN Universal Declaration of Human Rights and other generally recognized norms of international law. All citizens are guaranteed the opportunity to study and use their native language, unimpeded access to information, freedom of religion, and other political, social, economic, and personal rights and liberties.

4. The states comprising the Union see the shaping of a civil society as a most important condition for the liberty and prosperity of the people and each individual. They will seek to satisfy people's needs based on the free choice of forms of ownership and methods of economic management, the development of a Union-wide market, and the realization of the principles of social justice and protection.

5. The states comprising the Union possess the full range of political power and autonomously determine their own national-state and administrative-territorial structure as well as the system of bodies of power and

administration. They may delegate some of their powers to other states which participate in the treaty of which they are members.

Those participating in the treaty acknowledge democracy based on popular representation and direct expression of the will of the peoples as a general, fundamental principle, and strive for the creation of a rule-of-law state which would serve as a guarantor against any tendencies toward totalitarianism and arbitrariness.

6. The states comprising the Union consider one of their very important tasks the preservation and development of national traditions, state support for education, health, science, and culture. They will facilitate the intensive exchange of mutual enrichment of the peoples of the Union and of the whole world with humanist, spiritual values and achievements.

7. The Union of Soviet Sovereign Republics operates in international relations as a sovereign state and a subject of international law—the successor to the Union of Soviet Socialist Republics. Its main aims in the international arena are lasting peace, disarmament, the elimination of nuclear and other weapons of mass destruction, cooperation between states, and solidarity of the peoples in the resolution of the global problems of humanity.

The states comprising the Union are full members of the international community.

They have a right to establish direct diplomatic, consular, trade and other links with foreign states, to exchange authorized representatives with them, to conclude international treaties, and to participate in the activity of international organizations without encroaching upon the interests of each of the Union states and their common interests, and without violating the international responsibilities of the Union.

II. The Structure of the Union

Article 1. Membership of the Union.

The membership of states in the Union is voluntary.

The states comprising the Union enter it either directly or within the composition of other states. This does not restrict their rights and does not release them from responsibilities under the treaty. They all possess equal rights and bear equal responsibilities.

Relations between states where one state forms part of the other are regulated by treaties between them and by the constitution of the state to which it belongs.

The Union is open for entry into it by other democratic states which recognize the treaty.

The states comprising the Union retain the right to leave it freely in the manner established by the participants in the treaty and set down in the constitution and laws of the Union.

Article 2. Citizenship of the Union.

The citizen of a state that belongs to the Union is simultaneously a citizen of the Union.

Citizens of the USSR have equal rights, freedoms, and responsibilities, laid down by the Constitution, laws, and international treaties of the Union.

Article 3. The territory of the Union.

The territory of the Union comprises the territories of all of the states that form it.

Those participating in the treaty recognize the borders existing between them at the moment of signing the treaty.

The borders between the states comprising the Union may be changed only by an agreement between them that does not violate the interests of others participating in the Treaty.

Article 4. Relations between the states comprising the Union.

Relations between the states comprising the Union are regulated by the current treaty, the constitution of the USSR, and treaties and agreements not contradicting these. Those participating in the treaty build their mutual relations within the Union on the basis of equality, respect of sovereignty, territorial integrity, non-interference in internal affairs, the resolution of disputes by peaceful means, cooperation, mutual help, and the conscientious fulfillment of their obligations under the Union treaty and in inter-republican agreements.

The states comprising the Union are obliged: not to resort to force or the threat of force in relations between themselves; not to encroach on one another's territorial integrity; not to permit the stationing of armed formations or military bases of foreign states on their territory; not to conclude agreements contradicting the aims of the Union or directed against the states comprising it.

The use of the armed forces of the Union within the country is not permitted, except for their participation in eliminating the consequences of natural calamities and ecological disasters and also cases provided for in legislation on conditions under a state of emergency. Article 5. Jurisdiction of the USSR. The parties to the treaty invest the USSR with the following powers:

- protecting the sovereignty and the territorial integrity of the Union; declaring war and concluding peace; the provision of defense and the leadership of the armed forces and of the border, internal and railway troops of the Union; the organization and direction of the development and production of armaments and military equipment.
- ensuring the state security of the Union; establishing the conditions of and guarding the state border and

the sea and air space of the Union; coordinating the activity of the security organs of the republics.

- implementing the foreign policy of the Union and coordinating the foreign policy activity of the republics; representing the Union in relations with foreign states and international organizations; concluding the international treaties of the Union.
 - implementing the foreign economic activity of the Union and coordinating the foreign economic activity of the republics; representing the Union in international economic and financial organizations, and concluding the foreign economic agreements of the Union.
 - confirming and executing the Union budget, carrying out the issuing of money; holding the gold stock and the diamond and currency reserves of the Union; the direction of space research, the all-Union communications and information systems, geodesy and cartography, metrology and standardization; and the management of nuclear power generation.
 - adoption of the Union constitution and the introduction of amendments and supplements to it; adoption of laws within the powers of the Union and establishment of the basic principles of legislation on subjects agreed with the republics; supreme constitutional supervision.
 - direction of the activity of the federal law-enforcement bodies and coordination of the activity of the law-enforcement bodies of the Union and the republics in the fight against crime.
- Article 6. The sphere of joint authority of the Union and the republics.
- The bodies of state power and administration of the Union and the republics exercise jointly the following powers:
- defense of the constitutional system of the Union, based on this treaty and the USSR Constitution; ensuring the rights and freedoms of USSR citizens.
 - determination of the Union's military policy, implementation of measures to organize and make provision for defense; establishment of a common procedure for conscription and the manner in which military service is performed; settlement of matters connected with the activity of troops and the disposition of military facilities on the territory of the republics; organization of mobilization preparation for the national economy; management of enterprises of the defense complex.
 - determination of the Union's state security strategy and ensuring the state security of the republics; alteration of the Union's state border with the agreement of the relevant party to the treaty; protection of state secrets; determination of a list of strategic resources and products which may not be exported beyond the

Union's borders; establishment of general principles and standards in the sphere of ecological security; establishment of a procedure for obtaining, storing, and using fissile and radioactive materials.

- determination of the foreign policy course of the USSR and monitoring of its implementation; defense of the rights and interests of citizens of the USSR and the rights and interests of the republics in international relations; establishment of the basic principles of foreign economic activity; conclusion of agreements on international loans and credits, regulation of the Union's state foreign debt; unified customs activity; defense and rational use of the natural wealth of the Union's economic zone and continental shelf.
- determination of the strategy for the Union's socio-economic development and creation of conditions for the formation of an all-union market; pursuance of a unified financial, credit, monetary, tax, insurance and price policy based on a common currency; creation and use of the Union's gold reserve and diamond and currency reserves; elaboration and implementation of all-Union programs; monitoring of the implementation of the Union budget and issue of money; creation of all-Union funds for regional development and elimination of the consequences of natural disasters and catastrophes; creation of strategic reserves; the management of unified all-Union statistics.
- elaboration of a unified policy and balance in the sphere of fuel and energy resources, management of the country's energy system, its gas-and-oil trunk pipelines and its all-Union rail, air, and sea transport; establishment of basic principles for using natural resources and protection of the environment, coordination of actions in the sphere of the management of water conservancy and resources of inter-republican significance.
- determining the basic principles of social policy on issues of employment, migration, labor safety and conditions, social provision and social security, popular education, and health care; the establishment of a unified procedure for pension provision and maintenance of other social guarantees when citizens move from one republic to another; establishment of a unified procedure for indexation of incomes and a guaranteed minimum income.
- the organization of basic scientific research and the stimulation of scientific and technological progress, the establishment of common principles and criteria for the training and certification of scientific and teaching cadres; the definition of a common procedure for the use of therapeutic means and methods; promotion of the development and mutual enrichment of national cultures; preservation of the age-old living environment of numerically small peoples and of the conditions for their economic and cultural development.

—monitoring compliance with the constitution and the laws of the Union, the decrees of the president, and with decisions adopted within the area of competence of the Union; the formation of an all-Union criminal records and information system; organization of the struggle against crimes committed on the territories of a number of republics; the definition of a unified system for organization of corrective establishments.

Article 7. Procedure for the implementation of powers of state bodies of the Union and of joint powers of states bodies of the Union and republics.

Issues that come under joint jurisdiction are resolved by the authorities and administrative bodies of the Union and the states that comprise it by way of coordination, special agreements, and adoption of the basic principles of legislation of the Union and of the republics and of republican laws in keeping with them. Issues that come under the jurisdiction of Union bodies are resolved directly by them.

Powers which are not placed directly by Articles 5 and 6, either under the exclusive direction of the Union's authorities and administrative bodies or in the sphere of joint jurisdiction of Union and republican bodies remain at the direction of the republics and are implemented by them independently, or on the basis of bilateral or multilateral agreements between them.

After the treaty has been signed the relevant change will be made in the powers of the governing bodies of the Union and the republics.

The participants in the treaty proceed on the basis that as the all-Union market is gradually established there will be a reduction in the sphere of direct state management of the economy. The necessary redistribution or alteration of the volume of powers of governing bodies will be carried out with the agreement of the states comprising the Union.

Disputes on questions of implementing the powers of Union bodies or of realizing rights and carrying out duties in the sphere of the joint powers of Union and republican bodies are resolved by means of conciliation procedures. If agreement is not reached, disputes are submitted for examination by the Union's constitutional court.

The states comprising the Union participate in the implementation of the powers of the Union bodies by means of the joint formation of the latter and also by means of special procedures for coordinating decisions and their fulfillment.

Each republic, by means of concluding an agreement with the Union, can additionally delegate to it the implementation of certain of its powers, and the Union, with the agreement of all republics, can transfer to one or several of them the implementation on their territory of certain of its powers.

Article 8. Property.

The Union and the states that comprise it ensure the free development and protection of all forms of property and create conditions for the functioning of enterprises and economic organizations within the framework of a single all-Union market.

The land, its underground reserves, water, and other natural resources, and plant and animal life are the property of the republics and the inalienable possession of their peoples. The procedure for using, holding, and managing them (right of ownership) is established by the legislation of the republics.

The states comprising the Union make available to the Union those facilities in state ownership that are necessary for the exercise of the powers vested in the Union bodies of authority and administration.

State property that is under Union jurisdiction is the joint property of the states that comprise the Union and is used in their common interests, including the interests of the accelerated development of backward regions.

The states comprising the Union have a right to their share of the Union's gold reserves and diamond and hard currency stocks existing at the moment the present treaty is concluded. Their involvement in the subsequent amassing and use of treasure is defined by special agreements.

Article 9. Union taxes and levies.

In order to finance the Union's state budget and other expenditures associated with the exercise of its powers, Union taxes and levies are fixed at levels determined by agreement with the republics. Their percentage contributions to all-Union programs are also fixed. The level and designation of the latter are regulated by agreements between the Union and the republics with reference to their socioeconomic development indices.

Article 10. The Union Constitution.

The present treaty is the basis of the Union constitution.

Article 11. Laws.

Union laws and the constitutions and laws of the states comprising it must not contradict the provisions of this treaty.

Union laws on matters within its authority are paramount, and their execution is compulsory on the territory of the republics.

The laws of the republics are paramount on their territory on all matters, with the exception of those falling within the authority of the Union.

A republic is entitled to suspend the operation of a Union law on its territory and to protest against it if it breaches this treaty and contradicts the constitution or laws of the republic adopted within its powers.

The Union is entitled to protest against and to suspend the operation of a republic's law if it breaches this treaty and contradicts the constitution or laws of the Union adopted within its powers.

Disputes in both bases are settled through conciliation procedures or passed on to the Constitutional Court of the Union.

III. Union Bodies

Article 12. Formation of Union bodies.

The Union's bodies of power and administration are formed based on the free expression of the will of the peoples and the representation of the states comprising the Union. They operate in strict accordance with the provisions of this treaty and the Union constitution.

Article 13. The USSR Supreme Soviet.

The Union's legislative power is implemented by the USSR Supreme Soviet consisting of two chambers: the Soviet of the Republics and the Soviet of the Union.

The Soviet of the Republics consists of representatives of the republics delegated by their supreme bodies of power. The republics and national-territorial formation in the Soviet of the Republics retain the number of deputies' seats they possess in the Soviet of Nationalities of the USSR Supreme Soviet at the moment the treaty is signed.

All the deputies of this chamber from a republic that is a direct member of the Union have one common vote when issues are being decided. The procedure for electing representatives and their quota are determined in a special agreement of the republics and in the electoral law of the USSR.

The Soviet of the Union is elected by the population of the whole country in constituencies with equal numbers of voters.

The chambers of the Union Supreme Soviet jointly make changes to the constitution of the USSR; accept new states into the USSR; determine the bases of the internal and foreign policy of the Union; confirm the Union budget and the report on its implementation; declare war and conclude peace; confirm changes in the Union's borders.

The Soviet of the Republics adopts laws on the organization of and procedure for the actions of Union bodies; examines questions of relations between republics; ratifies international treaties of the USSR; elects the Constitutional Court of the USSR; endorses the appointment of the Cabinet of Minister of the USSR.

The Soviet of the Union examines questions of ensuring the rights and freedoms of citizens of the USSR and adopts laws on all questions except for those that are within the competence of the Soviet of the Republics.

The laws adopted by the Soviet of the Union come into force after being approved by the Soviet of the Republics. If a law adopted by the Soviet of the Union is not approved by the Soviet of the Republics, it will be given a second examination by the Soviet of the Union and will come into force on the condition that no less than two thirds of the chamber's deputies vote for approving it.

Article 14. President of the USSR

The president of the Union is the head of a union state invested with supreme executive and administrative power.

The president of the Union acts as a guarantor of the observance of the Union treaty, the constitution and the laws of the Union; he is commander in chief of the armed forces of the Union; he represents the Union in relations with foreign countries; he monitors the implementation of the Union's international obligations.

The president is elected by the Union's citizens on the basis of universal, equal and direct suffrage by secret ballot for a period of five years and for no longer than two consecutive terms. The candidate who gains more than half of the votes cast in the ballot in the Union as a whole and in the majority of the states comprising it is deemed elected.

Article 15. The vice president of the USSR.

The vice president of the USSR is elected together with the president of the USSR. The vice president of the Union performs certain functions of the president of the Union on his authorization and replaces the USSR President in case the latter is absent and cannot perform his duties.

Article 16. The USSR Cabinet of Ministers.

The Union Cabinet of Ministers is the Union's collegiate body of executive power, subordinate to the Union president and responsible to the Supreme Soviet.

The Cabinet of Ministers is formed by the Union president in agreement with the Union Supreme Soviet.

The heads of government of the republics may participate in the work of the Union Cabinet of Ministers with the right to a casting vote.

Article 17. The USSR Constitutional Court.

The Union Constitutional Court examines questions of whether legislative acts of the Union and the republics, decrees of the Union president and the presidents of the republics, and normative acts of the Union Cabinet of Ministers are in accordance with the Union treaty and the Union constitution. It also resolves disputes between the Union and the republics and between republics.

Article 18. Union (federal) courts.

The Union (federal) courts are the Supreme Court of the USSR, the Supreme Court of Arbitration of the Union, and courts in the Union's armed forces.

The Union Supreme Court and the Union Supreme Court of Arbitration execute judicial authority within the bounds of the Union's powers. The chairmen of the supreme judicial and arbitration bodies of the republics are ex officio members of the Union Supreme Court and the Union Supreme Court of Arbitration, respectively.

Article 19. The USSR Procuracy.

Supervision of the execution of legislative acts within the Union is performed by the Union procurator-general, the procurators-general (procurators) of the Republics, and the procurators subordinate to them.

The Union procurator-general is appointed by the Union Supreme Soviet and is accountable to it.

The procurators-general (procurators) of the republics are appointed by their supreme legislative bodies and are ex officio members of the collegium of the Union Procuracy. While supervising the execution of Union laws they are accountable both to the supreme legislative bodies of their own states and to the Union procurator-general.

IV. Concluding Provisions

Article 20. The official language of the USSR.

The republics determine independently their own state language (languages). The parties to the treaty recognize Russian as the official language of the Union.

Article 21. The capital city of the Union.

The capital city of the USSR is the city of Moscow.

Article 22. The state symbols of the Union. The USSR has a state coat of arms, flag, and anthem.

Article 23. The coming into force of the treaty.

This treaty is approved by the supreme bodies of state power of the states comprising the Union and comes into force after it is signed by authorized delegations.

For the states that sign it the 1922 treaty on the formation of the USSR is deemed null and void as of the same date.

From the moment the treaty comes into force a most-favored-nation regime begins to operate for its signatories.

Relations between the Union of Soviet Sovereign Republics and the republics which comprise the Union of Soviet Socialist Republics but which have not signed this treaty should be settled on the basis of the current legislation of the USSR, mutual obligations, and agreements.

Article 24. Responsibility under the treaty.

The Union and the states comprising it have mutual responsibility for the execution of obligations undertaken by them and compensate for the damage caused by breaches of this treaty. Article 25. The procedure for introducing amendments and addenda to the treaty.

This treaty or its individual provisions can be cancelled, altered or supplemented only by agreement of all the states comprising the Union.

If need be, upon agreement between the states that have signed the treaty, appendices to it can be adopted. Article 26. Succession of the Union's supreme bodies. To ensure continuity of state power and administration the supreme legislative, executive and judicial bodies of the Union of Soviet Socialist Republics retain their plenary powers until supreme state bodies of the Union of Soviet Sovereign Republics are formed in accordance with this treaty and the new USSR constitution.

TASS Views Union Treaty Controversies

LD2606155791 Moscow TASS International Service
in Russian 1005 GMT 26 Jun 91

[Commentary by Tamara Zamyatina]

[Text] Moscow, 26 Jun (TASS)— Nursultan Nazarbayev, president of Kazakhstan, called the draft treaty on the union of sovereign states "most democratic and sufficiently fully reflecting the rights of nations and self-determination."

As is known, after long discussion at conferences at Novo-Ogarevo near Moscow, this document was presented for examination by the Supreme Soviets of the USSR and the union republics.

The first thing that strikes one is the new name of the document in which the subjects of the treaty are no longer called sovereign republics, as in the former draft, but sovereign states.

It is precisely this wording which was previously categorically insisted upon by Boris Yeltsin, who accused the center of mixing up the terms "state" and "republic". Consequently, one of the disputed aspects at the given stage of work on the treaty has been smoothed out.

The recognition of the principle of sovereignty and the right of the republics to resolve questions of their future development and to manage their economies—evidently these points of the draft treaty gave the president of Kazakhstan and other republican heads grounds for an overall positive appraisal of the document.

However, agreement on the main articles does not remove conflicts in the interpretation of individual points of the treaty.

Vladimir Kudryavtsev, vice president of the USSR Academy of Sciences, said in a conversation with a TASS correspondent that the stumbling block in the Novo-Ogarevo debates was the question of taxes. In the

opinion of representatives of the center, in the renewed federation the multichannel system of taxes adopted in the majority of countries should be predominant. For our conditions this would be a three-channel system: payments to local, republican and union budgets.

Setting out the arguments in favor of such a system, Academician Vladimir Kudryavtsev, who is an adviser to the USSR president, noted: "If we reject taxes to the local budget, then the local authorities, just as they do now, will try to obtain money from the center while not having any responsibility for the needs of their citizens. The other extreme is the absence of a union tax from enterprises subject to republican subordination, which would threaten the union structures' ability to fulfil their functions."

The second position is a one-channel system of taxes whereby payments to the union budget are made by the republics and not by the enterprises and this, as is known, is close to the position of Boris Yeltsin and Leonid Kravchuk, chairman of the Supreme Soviet of the Ukraine. Sharp opposition to "payments which concern the command interests of the center" was expressed by Vyacheslav Kebich, chairman of the Council of Ministers of Belorussia. Nursultan Nazarbayev also stated that Kazakhstan "cannot agree to a mechanism of levying" a union tax.

The signing of the treaty is being delayed in connection with these differences on questions of forming the union budget. According to a forecast from Vladimir Kudryavtsev, it may be concluded during this summer. But it must be taken into account that the question of taxes is not the sole disputed aspect of the discussions.

Other obstacles may be the republics' disagreements over the question of the numerical representation of the autonomies and territorial-national formations in the supreme body of power of the union. Up to now, opponents have not become reconciled in the debates about who will be a subject for signing the treaty—only the union republics or the former autonomies also. Also awaiting agreement is the concept of joint property of the union and the republics. And the question of the division of property, as can be observed, is extremely difficult to resolve.

Speaking today at the session of the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet, Boris Yeltsin also focussed attention on the following problem: Should we not introduce triple citizenship, when a specific person is at the same time an inhabitant of his own republic, of the RSFSR, and of the union?

The republican parliaments are these days occupied in agreeing separate articles of the draft treaty. The quicker the prickly path is cleared, the shorter will be the road to creating the union of sovereign states.

Deputies To Discuss Union Treaty 27 Aug

*LD2606194991 Moscow Radio Rossii Network
in Russian 1900 GMT 26 Jun 91*

[Text] As the Russian News Agency has learned, it was decided at yesterday's session of the presidium of the USSR Supreme Soviet to hold a Congress of USSR People's Deputies on 27 August. It is expected that just one issue will be on the agenda: the new Union treaty.

Pavlov Discusses Perestroika, Western Credits

*AU2606215491 Vienna ORF Television Network
in German 2000 GMT 26 Jun 91*

[Interview with Soviet Prime Minister Valentin Pavlov by Christian Schueller; place and date not given—recorded; interview in Russian with superimposed German translation]

[Text] [Schueller] Prime Minister, more and more of the so-called conservatives are gathering around you, people who are afraid of the market economy, in particular members of the Soyuz group. Does this mean that you are pursuing a course of increased confrontation with Gorbachev?

[Pavlov] So far we have pursued a most revolutionary course that resulted in a situation in which the local Soviets no longer obey the orders of the oblast Soviets. The oblast Soviets in turn do not care at all about the laws of the republics, while the republics themselves no longer respect the laws of the union. Excuse me, can this still be described as perestroika or is it simply the destruction of society? I am in favor of perestroika, because we probably need it, just as we probably need the market economy. Nevertheless, none of those who talk a lot about the market economy has so far taken a single concrete step. It required a conservative such as myself to start price reform. You know that it is always very dangerous to raise prices.

[Schueller] Yet there seems to be a clear conflict of interests. On the one hand there is the arms industry and the central bureaucracy, forces who will lose power, while others will gain. Are you able to serve both sides?

[Pavlov] Well, conflicts of interests are part of every society, including our society. They are nothing special. It is natural that one group loses something and that others gain it. The only thing that is certain is that nobody who wants to turn back the wheel of history will be able to hold their own. Any politician who thinks along normal lines cannot want it, because it would be doomed to fail. This is particularly true in our country, where there is little reason to speak of the good old days. I am not a lunatic. I do not understand where people constantly get the idea that I want to lead the country back to barracks communism. Do you think that I am that mad?

[Schueller] Still, are you not afraid of the emergence of a Russian bourgeoisie?

[Pavlov] Well, do you really think that we have not got such a bourgeoisie already? As far as I know we have such a bourgeoisie. We even had it under the old circumstances, and it will continue to grow and develop. What I am afraid of is that the reform of the union will ultimately result in a change of labels, and that one authority will be replaced by another one. In a couple of years, there will be a Ukrainian and a Kazakh coal mining ministry, and a ministry for the metal working industry in Kazakhstan and one in Ukraine. If this should be the only outcome of perestroika, we could have spared ourselves our efforts.

[Schueller] Austria has granted the Soviet Union a commercial credit worth 4 billion schillings. It has not been used up so far, despite the fact that commodities are missing everywhere. Where are the obstacles?

[Pavlov] Nowadays the individual republics want to conclude their own foreign exchange deals. However, none of the republics wants to assume guarantees that extend beyond its borders. Thus, the central government is forced to react correspondingly—not to guarantee deals in the future that are not covered by the resources of the republic involved. This in turn leads to a rapid decline of the demand.

[Schueller] On several occasions, you sharply criticized Western banks. Gorbachev, however, is trying to obtain Western credits. Are you and Gorbachev playing two different parts?

[Pavlov] Of course, we are playing two different parts. We also hold different offices. However, we are playing in the same ensemble. In the course of my career, I was involved in banking matters, and know that private capital is private capital. It reacts in a different way from politicians. Even with the sweetest words, one cannot lure it to one's own side. One must convince it with deeds.

Defends Non-Market Economic Measures

*OW2706023391 Moscow INTERFAX in English
1230 GMT 26 Jun 91*

[Following item transmitted via KYODO]

[Text] The USSR Prime Minister Valentin Pavlov asked Soviet entrepreneurs on Wednesday to understand the policies of his government. Speaking in Moscow at the 1st national conference on developing private enterprise he explained that his government is forced to administrative measures in conditions when 90 percent of the present economic regulations are contrary to market laws.

Pavlov said that similar non-market measures will be needed to save this year's harvest and that's Question No. 1 now. By the optimistic estimate the cereals yield will be 205 mln tons. If we have losses as last year, "we can't have enough food to last us till the new year". The entire August's output of automobiles, refrigerators,

washing machines will be sold in the countryside to stimulate farmers' sales of grain to the state", explained Valentin Pavlov. "Besides, cities will have to share their petrol supply." Exports of agricultural produce and light industries' products have been allowed to enable these branches to purchase materials and equipment.

The Premier gave to understand that a combination of market and non-market measures taken by his government is yielding its fruits, particularly in suppressing inflation. In the first 5 months of this year, says Pavlov, only 1 billion roubles has been added to the money circulation, and that with the prices for goods rising by 95 percent and for services by 65 percent.

On Yavlinskiy Program

OW2706025191 Moscow INTERFAX in English
1630 GMT 26 Jun 91

[Following item transmitted via KYODO]

[Text] "The Western aid to the Soviet Union, envisaged in the Yavlinskiy programme is not aid but a kind of reward for our good behaviour," Soviet Prime Minister Valentin Pavlov said, addressing the First All Union Conference for Promoting Entrepreneurship, in Moscow on Monday. The conference was attended by about 150 leaders of entrepreneurs' unions and by economists from 15 republics.

The programme "Window of Opportunity", said the prime minister, has been drafted on the basis of recommendations developed by the International Monetary Fund, and implies that first we are expected to "reach a point" and then to do what we are told to do, receiving strictly dozed-out aid and presenting an account of how we have used it. "I have my own ideas on how we should move to the market," said Valentin Pavlov. "We must ask ourselves whether we want to switch over to a market dependent on foreign capital or on our own."

After the conference, IF [INTERFAX] correspondent Vyacheslav Terekhov interviewed Valentin Pavlov.

Question: Do you think the Yavlinskiy programme and the programme of anti-crisis measures are compatible?

Answer: I do not see any contradictions in them, because in my opinion they do not differ at all with the exception of one thing: the government programme puts a stronger accent on the practical implementation of what the Yavlinskiy programme declares. Therefore practically, I have no objections against it. What I object against is the sequence of steps envisaged in it. The Yavlinskiy programme implies that we should pass from the first, to the second, to the third and over to the fourth. Our programme of anti-crisis measures envisages parallel movement. The second cardinal difference is that the Yavlinskiy programme, perhaps covertly, stakes on considerable Western aid, including gratis aid, as a compulsory condition for the transition to market relations. Our programme is based on the assumption that

switch-over to market has no alternative and that we shall implement the programme which, in actual fact, is reflected in Yavlinskiy's variant, whether or not we receive aid from the West.

Of course, we understand that with Western aid we will do it less painfully. Without Western aid we shall have to pay a dearer price; social tensions may increase and we shall balance on the limit of the admissible. But we shall move to the market all the same and I do not agree that without Western aid we shall not be able to switch over to market relations. Simply, there is no other way. There is no rolling back, for if we do we shall find ourselves in a deadlock, amid economic ruin.

Q.: Still, can one dovetail the programmes and draft joint actions?

A.: I would like to say once again that there is nothing in them to dovetail. I accept everything in it except the sequence of actions. One should understand that transition to market relations should be frontal. I would say, we must accelerate our movement because if we don't we shall prolong the agony. With the exception of this, there are no other contradictions.

Pavlov's Ulterior Motives Questioned

91UN1933B Moscow KURANTY in Russian
22 Jun 91 p not identified

[Article by Leonid Radzikhovskiy: "A Double Move"]

[Text] As soon as Yeltsin-Popov-Sobchak won, it became clear: Now is your move in response, gentleman-comrade Communists! So, they made it, they made their double move.

So, you did not want to elect Ryzhkov by hook? You will get Pavlov—by crook!

Pavlov demands emergency powers, stating nicely that he has not notified the president of this. Really, why? What is the matter? The Cabinet is not under the president. It is the president who is under... Fine, fine. In a word, I need emergency powers. Period.

Will the Supreme Soviet give Pavlov the powers sought? This is a somewhat strange question. You can give what you have, but out of nothing, only nothing will come. Well, so they gave at one point "triple emergency" powers to Gorbachev, whom they are now kicking, and what did this accomplish? What is the reason for another tempest in a teapot in the Kremlin canteen?

The motives of the people's deputies are too obvious to merit a longer discussion. So, they understand that nobody will reelect them anywhere when the Supreme Soviet is reelected; so, they have come to feel at home in Moscow, have staked out a place at the "trough," and they do not want to lose it...

Is it that simple? Really, are truly inscrutable Hamlet-type personalities assembled there? They are simple

people who were selected by obkoms [oblast committees] and "public organizations" (keep it in mind that the elections were held in 1989!), and subsequently were sifted through a sieve twice by Lukyanov. In general, they are concerned about the USSR, because this Union is bound to have an indissoluble Supreme Soviet.

The motives of Pavlov himself are more interesting. Valentin Sergeyevich is a strong, intelligent, and capable man. Just like in this joke: "I do not like capable people. You never know what they are capable of doing."

Pavlov represents (and heads) the segment of the party-ministerial-military bureaucracy which mostly operates and lives in the territory of Russia, and which is not in sympathy with the democrats. They need their own privatization and their own market economy in which everything has been grabbed by them. They wasted a great deal of time. They kept betting on Gorbachev! They kept saying "Yes," and here they are! Yeltsin is president of Russia, and Union structures are coming down like a house of cards. One more step, and this is it—the system is gone; hence it is necessary to act.

Now is the last opportunity for a semilegal coup. Only a purely military putsch will remain tomorrow. Now there is technically an opportunity to use the parliamentary "fig leaf." After all, it is not the point "to assign powers" to Pavlov—powers which are not worth anything... The point is to scare Gorbachev, to frustrate (or more precisely, delay) the new Union treaty, and have the Novo-Ogarevo agreements go the way of the "500 days" program. Their objective? To buy more time, to preserve their dominance, to make more use...

That is to say, in the greater scheme of things, the motives of the entire nomenklatura and several hundred people's deputies are absolutely the same. It is just that the party-ministerial-military nomenklatura has real power, unlike the "elected representatives of the people" behind whose backs the nomenklatura is hiding for now. The stakes for them are somewhat higher than a residence permit for Moscow and a Volga car—it is concerns and billions which they "privatize" into their own pockets.

Will this endeavor succeed?

Everything depends on Gorbachev.

Gorbachev cannot sit on a single chair. Yeltsin has abruptly grown stronger, and an urgent counterbalance is necessary. However, at present Gorbachev cannot act openly against Yeltsin anymore. Besides, it is not his part. The eternal ghost of "a right-wing coup" is produced. Unsophisticated Sukhovs and Kogans rant and rave on the rostrum—to the complete satisfaction of the president of the Union who is absent...

The confrontation between Pavlov and Yeltsin: Who will the two sides approach as an arbiter? They will approach Gorbachev—this is his favorite, his only part.

Unpopular decisions are made. Who is to blame? "Bad" Pavlov, the Pavlov who, in addition, opposed Gorbachev. What about Gorbachev? With all due respect, the reactionaries have driven him into the corner, and he is keeping them back.

Well, well, tales of old. This has been tested many times—since the Gidaspov rally when the trumpets wept "Hostile whirlwinds swirl above us," and we went to "rescue" Gorbachev (do you remember this?), since "the great confrontation" between Gorbachev and Ligachev, since the "crying Bolshevik" Ryzhkov, and now to merciless Pavlov. Well, this chess player knows just one game, but he plays it invariably with success. The only difference is, perhaps, in the fact that, unlike naive Nikolay Ivanovich, Pavlov understands full- well the part he is supposed to play.

However, this is not the main difference. Gorbachev may win tactically again and again; however, strategically, the game has already been played. On 12 June, the clock of the nomenklatura was stopped. Let the nomenklatura continue to move pieces—in the greater scheme of things, the game is over.

More Conflict Feared After Pavlov 'Putsch'

91UN1933C Moscow KOMMERSANT in Russian
No 25, 17-24 Jun 91 p 1

[Article by Maksim Sokolov: "Pavlov in the USSR Supreme Soviet: A Premier of Bad Behavior"]

[Text] This week, Prime Minister Pavlov attempted to ensure his quite hazy future. Early this week, Pavlov demanded emergency powers from the USSR Supreme Soviet, KGB chief Kryuchkov demanded a state of emergency, military minister Yazov demanded the restoration of the superpower status, and the Soyuz group demanded a congress of people's deputies to which the president would make a report. Taxicab driver Sukhov summed it up: "Down with Gorbachev and his mafia entourage!" The attack did not succeed: Speaking at the session of the Supreme Soviet four days later, Gorbachev made a response speech, perhaps, the most radical speech in his tenure as the leader of the USSR. While burning bridges, he renounced the leaders of Soyuz, came out in favor of expanded contacts with the West, demilitarizing the economy, and a mutual understanding with the republics.

A Perfidious Attack

The two months which had passed since day of the first Novo-Ogarevo "Nine Plus One" meeting had been relatively quiet: The agreement had been complied with on the whole, the text of the Union treaty had been successfully coordinated, and Gorbachev liked the Yavlinskiy draft.

However, like half a century ago, the June lull turned out to be deceptive: Prime Minister Pavlov, following Lukyanov, decided to ensure his future (which is quite unclear

in light of the Novo-Ogarevo agreements) by blackmailing Gorbachev with possible troubles.

About two weeks ago, having previously mobilized the USSR Supreme Soviet and demonstrated his readiness to harm the Novo-Ogarevo process, Anatoliy Lukyanov made a trip to Novo-Ogarevo where, according to a number of suppositions, he ensured a future for himself after the signing of the Union treaty. Following this, he pacified the deputies just as skillfully (for more, see KOMMERSANT No. 73).

However, unlike Lukyanov, Pavlov decided to push as hard as possible. On 15 June, it became known that Pavlov had signed new customs tariffs which were fraught with the further growth of prices (see page 1). On 17 June, a resolution of the Cabinet of Ministers on work plans for 1992, which demonstratively ignored the provisions of the Union treaty, was published. Also on 17 June, while Gorbachev was getting ready to go to Novo-Ogarevo to "iron out" the details of the Union treaty with the "nine," a report by Pavlov on the situation in the country, which had been requested by Soyuz people as much in advance as one week, was being made. The prime minister communicated: "Political instability is the main destabilizing factor, and by eliminating it we should make a beginning."

He demanded he be given additional powers—to subordinate the republic banks to the center, to create his own tax inspectorate and return the printing press to the government—and be granted the right to issue laws. Pavlov explained: "From my point of view, the president, in general, should not take many things upon himself." As the prime minister admitted, this demand was not coordinated with the president.

The gathering liked the latter detail. "A conflict between the USSR president and the USSR Cabinet of Ministers is obvious. Well, we will have to make a choice," said Colonel Alksnis, and called for "supporting the Cabinet of Ministers because at present the latter works for the Union, for the preservation of this state."

On the evening of 17 June, a closed-door meeting was set up at which "three mighty warriors," Kryuchkov, Pugo, and Yazov, made apocalyptic statements. As member of the Supreme Soviet Sergey Rybchenko reports, Yazov called for restoring the superpower status of the USSR, and could not vouch for the Army. Pugo scared them with crime, Kryuchkov communicated that a CIA conspiracy which had been uncovered by Andropov as early as 1977 has materialized: The West provides education for the Soviet people and turns them into "Trojan horses." By 1991, the number of the "Trojan horses" has grown, and their influence has increased, to such a degree that "we cannot do without a state of emergency." On the morning of 18 June, a draft resolution on transferring additional powers to Pavlov was drawn up.

Taxicab driver Sukhov exclaimed: "Down with Gorbachev!"

Did You Order a Fight?

Following the logic of the previous scenario involving Lukyanov, Pavlov should have thereupon received an invitation to Novo-Ogarevo in order to discuss pleasant conditions for calming the storm.

However, this did not happen. During the lunch break on 18 June, Anatoliy Ivanovich had a talk with Mikhail Sergeyevich.

After lunch, at yet another closed-door meeting of the Supreme Soviet, Lukyanov communicated that "the president is busy, he is polishing the Union treaty," and that the president asked to postpone the issue until he comes to the Supreme Soviet. The response to the announcement, which clearly meant that there would be no negotiations, but rather something less pleasant, was immediate: According to reports by Supreme Soviet members, the "three mighty warriors" stated that they had not at all threatened Gorbachev the day before but had merely complained about the difficult state of affairs.

They stated it not a minute too soon, because, having polished the treaty, Gorbachev undertook to polish off the Soyuz people.

On 21 June, the president came to the Supreme Soviet and came down on the Soyuz people with unprecedented harshness: "Comrade Alksnis and Comrade Blokhin are trying to foist on us their vision of the problem in the mass media and at Central Committee plenums. Expelling the general secretary—you here are also engaging in this, attempting to destabilize cooperation between the republics, the Supreme Soviet, and the president... Giving powers to Pavlov, the savior of the motherland!..."

Already in a calmer tone, Gorbachev stated that further confrontation with the republics was impossible, that he would not allow "a fuse to be attached" to emerging social accord, that the time had come to break with the supermilitarized economy [passage illegible] the coup did not take place.

"Our" Day Will Come, Too

Blackmail did not occur either; unlike Anatoliy Ivanovich with his technique, Pavlov really botched up the intrigue.

"Hysteries" (Gorbachev's expression) with a demand for emergency powers was started from scratch, without preparation and due thinking.

Gorbachev, who was bound by negotiations with the "nine" and the forthcoming visit to London, and had received a report on a law passed on 19 June by the U.S. Congress, under which the center will be given aid only on the condition that human rights are observed, a transition to the market is made, and the national economy is demilitarized (see page 4), simply had no other choice but to publicly renounce the Soyuz people

and Pavlov. Therefore, both Gorbachev's flight to the left and the treason of Lukyanov, who betrayed the Soyuz people at the decisive moment, were unambiguously predetermined.

Nonetheless, the "June putsch" revealed the precariousness of the current peace, its precariousness from two points of view.

In principle, Pavlov and his comrades-in-arms did not necessarily need a victory. They needed destabilization, and in a certain sense they got it. The truce itself is the most significant result of the Novo-Ogarevo truce: In the environment of peace, the republics successfully reinforced their statehood, and the current center decomposed before our eyes. Had Pavlov's demarche been a cinch more successful he could have resumed "a war of laws." Pavlov is stubborn, he has nothing to lose—hence repeated attempts of this nature are highly probable.

In addition, a harsh affront was dealt to the "three mighty warriors" and the military-checkist complex which stands behind them. There is no certainty that parliamentary destabilization techniques will not be followed by nonparliamentary techniques.

In principle, both new financial initiatives of the prime minister and more or less serious actions by "our people" in the Baltic area, or other places, may occur in the three weeks which separate us from the London meeting and (perhaps) the signing of the Union treaty.

Defeat of 'Antipresidential Bloc' Viewed

91UN1933A Moscow NEZAVISIMAYA GAZETA
in Russian 22 Jun 91 p not identified

[Article by S.P.: "Democracy Goes on—Stated Mikhail Gorbachev As He Completed the Rout of the Emerging 'Antipresidential Bloc'"]

[Text] Hardly any of the authors of the idea of a legislative-executive alliance of the right-wing forces could have predicted that 20 minutes would suffice for the president in order to mercilessly crush a group opposing him when debate on giving additional powers to the government resumed on Friday.

Everybody caught it: the parliament—"You sort of live under a glass bell, you are sterile," and the prime minister—"He has somehow expressed himself inarticulately here."

However, Gorbachev suddenly came down with fury, which until then was customary in his opinions about "the so-called democrats," on the opposite political wing, on those who "under any conditions, in any situation—in the mass media, at a plenum of the Central Committee, and behind the scenes—attempt to foist their opinion on us. This is what Comrades Alksnis, Blokhin, and others engage in... Here they also destabilize cooperation and interaction between the Supreme

Soviet and the Cabinet of Ministers..." However, somewhat later it was given to understand by Gorbachev that "This does not have to do only with Soyuz, and let no one use it as a screen..."

The president clearly demonstrated his determination to defend the fruits of Novo-Ogarevo consultations, which did not come easily to him: "If you want to tell us that we should not pay attention to the republics, I will tell you: You have understood nothing about what has happened to us and to our society recently..."

He concluded: "Democracy goes on, and nobody will succeed in usurping it in order to pursue his own narrow political calculations."

As a result, Valentin Pavlov was forced to offer humiliating assurances of his being completely of the same mind with the president. Anatoliy Lukyanov (apparently, the only one who was prepared for this turn of events) without a minute of hesitation, surrendered Soyuz, the creation which had appeared so dear to him, for "rape and pillage." The authors of the proposed resolution stated themselves that "the issue has been closed, and there is no longer a need for any resolution..."

Only three characters of the closed meeting on Monday kept their silence—Ministers Yazov, Kryuchkov, and Pugo. This time they observed the political massacre with passive gloominess. This highly impressive and symbolic silence should protect us against too many illusions: After all, what Gorbachev has done may only be considered "anesthesia," though administered by resolute and, in part, forcible methods. In the spirit of our best traditions, the disease has not at all been overcome; merely its symptoms have been dealt with. Political factors which have caused a crisis at the very top of the Union hierarchy have been preserved in their entirety. Forces, which have been animated by the fears of the conservative bloc for its future, are merely temporarily demoralized. They will carry on the struggle for their survival. The only question is—what will the next attempt at revenge be?

Yakovlev Denies Rumors of Plans To Leave CPSU

LD2706073491 Moscow All-Union Radio Mayak
Network in Russian 0600 GMT 27 Jun 91

[Text] Aleksandr Yakovlev, senior adviser of the USSR president, has categorically refuted rumors circulated of late that he is planning to leave the CPSU. In an interview with an INTERFAX correspondent he stated: I have issued no statement and I know of no plans to expel me from the CPSU. Aleksandr Yakovlev noted that these rumors are being circulated by those who have an interest in his leaving the ranks of the party—but then, political struggle is political struggle, he said.

Central Committee To Investigate Shevardnadze

OW2706021691 Moscow INTERFAX in English
1630 GMT 26 Jun 91

[Following item transmitted via KYODO]

[Text] The Central Committee of the Soviet Communist Party is reported to have announced starting inquiries into a recent call by the former foreign minister, Mr. Eduard Shevardnadze, to set up a democratic party in the Soviet Union. It says the investigation was demanded by "party members". For his part, Mr. Shevardnadze in an interview with IF [INTERFAX] correspondent some time ago described the decision as willful stressing that the individual must have the right to speak out what he thinks.

To find more, our correspondent got in touch with Mr. Sergei Tarasenko, who is a close aide to Mr. Shevardnadze.

Mr. Tarasenko said he was alarmed and angered over the central committee's high-handedness. "Nothing followed the initial statement," he said. "Does this mean some sort of a covert inquiry is underway to collect compromising papers against Mr. Shevardnadze?"

"If one is to judge by a number of articles appearing in papers of certain persuasion," he said, "the answer is definitely yes". Mr. Tarasenko spoke of attempts being undertaken to smear Mr. Shevardnadze's name and the country's foreign policy as a whole.

Mr. Tarasenko said the committee's statement was aimed at intimidation, something that had been perfected to such an extent in the past 70 years that reluctance and fear to act, or think or express oneself is now widespread everywhere. "If the party continues to remain an island on which speaking aloud is tabooed at a time when one can do so elsewhere", he said, "it is doomed to perish." Mr. Tarasenko said the party was running the risk of turning into a sect of inquisitors.

Union, Republic Foreign Ministers Meet in Minsk

LD2706090891 Moscow All-Union Radio Mayak
Network in Russian 0627 GMT 27 Jun 91

[Text] The conference of the Council of Foreign Ministers of the USSR and the Sovereign Republics opens in Minsk today. It is expected that it will make very important decisions on elaborating a model for our country's foreign policy line, taking account of the national interests of the sovereign republics. On the line is our correspondent in Belorussia, Aleksey Zhuk:

[Zhuk] What you have said is quite right. It is envisioned that very important decisions will be taken at this conference—decisions which are of vital, well, of great importance for the republic, for our Belorussia. Our republic is one of the founders of the United Nations, and as for why it is precisely Belorussia which has been selected to host this meeting, it is because it is envisioned

that this meeting will consider the problems of Chernobyl. It is well-known that our republic suffered more than anyone from this awful tragedy.

So, the Union minister of foreign affairs and the republican ministers of foreign affairs will be working very cohesively and, I would like to believe, effectively. It is envisioned that a joint statement will be adopted and that the activity of all these foreign policy departments will be coordinated to step up the work in tackling the problems of Chernobyl. As before, Belorussia is in need of aid. The thing is, as you know, a state program was earlier adopted on eliminating the consequences of the accident. Belorussia, and the Ukraine and Russia too, were allocated enormous sums but for the present, let's put it like this, it all remains on paper. As before, a large portion of the population is living in many regions of the republic where they should not be living. It is dangerous for the life and health of people to live there. Houses have to be built. Children have to be evacuated—600,000 little children are living in a zone where they should not be living. Aleksandr Aleksandrovich Bessmertnykh arrived in the capital of Belorussia today. He was welcomed by our republican minister of foreign affairs, Petr Kuzmich Kravchenko, who was supposed to come on the air with us, but who, as reported from this department, has been unable to come on air at the moment. His program is very heavy. I think that in subsequent broadcasts, we shall tell you how the meeting of the foreign ministers is going.

For the present I will just tell you the following. Today, Aleksandr Aleksandrovich Bessmertnykh and his colleagues from the Union republics will visit a republican children's dermatological center where children from Chernobyl are receiving treatment. He will also visit the (Aksakovshchina) radiology clinic. Incidentally, this sanatorium was formerly connected with the Fourth Main Administration of the Ministry of Health. Now it has been handed over to the liquidators...[changes thought] people who participated directly in eliminating the accident at the nuclear reactor.

Then there will be plenary meetings. Petr Kuzmich Kravchenko told me that the republic is hoping that it will be possible at this meeting to coordinate the activity of the foreign policy departments of the Union and the republic. Then, of course, there will also be discussions with regard to the fact that the national problems of other republics also have to be considered. After all, the social and political processes under way in the country demand this. This is also what the draft Union treaty is aimed at. In short, the meeting is an unusual one and it is called the Council of Ministers of Foreign Affairs of the USSR and the Sovereign Republics. For our listeners it may even be somehow improper to hear this. But such a council is functioning—the Council of Ministers of Foreign Affairs of the USSR and the Sovereign Republics, and it has convened in Minsk to elaborate very important, vitally important decisions for our Belorussia and, of course, for the other sovereign republics.

MVD Gives Briefing on OMON Activities

LD2706101891 Moscow All-Union Radio Mayak
Network in Russian 0621 GMT 27 Jun 91

[Text] A briefing which took place at the USSR Ministry of Internal Affairs [MVD] was devoted to the activity of the Special Purpose Militia Detachments [OMON]. Here is a report by our correspondent Anatoliy Fedorov:

[Fedorov] The OMON were set up on 3 October 1988. Today they exist in 23 republic, kray, and oblast centers. Life shows just how correct that decision was. This year alone the personnel of these detachments have detained some 75,000 people for various infringements of the law, including 1,500 people for crimes. Here is some latest information: citizens Akapyan, Bagmanyanyan, and Bagmanyanyan have been detained by members of OMON of the Rostov Oblast Executive Committee Internal Affairs Directorate on suspicion of the murder of Blokhotin, colonel of the internal troops of the USSR Ministry of Internal Affairs. The militia workers have been recommended for government awards.

I am now talking to Militia Colonel Dmitriy Vasilyevich Ivanov, commander of the Moscow OMON of the main Directorate of Internal Affairs. You and many of your colleagues from different detachments in different parts of the country are facing literally a barrage of questions. It's understandable that the OMON today receives particular attention from newsmen. Your work gives rise to too much talk among part of society, and the OMON have become notorious—you have been called suppressors of freedom, gendarmes. How do you view your work?

[Ivanov] Sometimes our Soviet citizens have little information, little objective information, about the activity of the internal affairs staff. For some reason or other everyone forgets that in the first place the OMONs are fighting against crime. This year, for example, our staff has detained about 300 criminals who are being brought to account under the criminal code. Staff of the internal affairs bodies belonging to our OMON ensure the protection of public order at all major mass events like football matches, exhibitions, demonstrations, and so on. All points, like the Rizhskiy Market and the Chermushkinskiy Market—order is now being established there with our assistance. Take Sheremetyevo-2 [Airport], the press has been writing less about this recently and that has again been achieved with the help of OMON, because we've been able to establish order. The OMON are defending the interests of Soviet citizens, or Muscovites, and visitors to the capital, and are doing so only in accordance with the law.

[Fedorov] But how do you really feel about it? Apart from the fact that you wear shoulder straps, everyone nonetheless knows that you are still a person and when there are such unfair complaints...

[Ivanov interrupting] Well, of course, one does have an unpleasant feeling inside; It wasn't fortuitous that I

mentioned this today in such emotional terms, perhaps, but in any event I am satisfied with my work, and the fact that we are indeed defending the interests of Soviet citizens.

[Fedorov] Do you have a high staff turnover?

[Ivanov] We do have a high staff turnover, unfortunately. We only take on Muscovites and as a result we have a high turnover—many leave to join subunits in the territories, because the moral and psychological load on the personnel is much higher than in the territorial internal affairs bodies. I can go further and say that in some individual rayons they are paid more because the local soviets, the rayon soviets, pay some militiamen approximately twice as much as my militiamen. And our housing provision, say, is worse than that of the rayon departments.

[Fedorov] No doubt you have heard this in different situations—surely we are not going to see, so to speak, our lads shooting their own people?

[Ivanov] Our staff unfortunately carry out their service without weapons; without weapons. Only when they are going to detain armed criminals are they armed with the appropriate equipment.

[Fedorov] A question to Colonel of the Militia Eduard Petrovich Ryazanov, first deputy head of the directorate for the protection of public order of the USSR Ministry of Internal Affairs, and the man looking after the OMON. Is it intended to increase the number of OMON detachments throughout the country?

[Ryazanov] On the basis of requirements that will be dictated by the crime situation, specific decisions will be made on developing or on the other hand reducing the number of OMON.

Volkogonov on Ouster From WWII History Project

PM2606104991 Moscow IZVESTIYA in Russian
24 Jun 91 Union Edition p 4

[Report by V. Arsenyev: "Arguments About the War Have Still Not Ended"]

[Text] The coordinating council of the "Military for Democracy" movement held a press conference for Soviet and foreign journalists in the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet building 21 June on the theme of the 50th anniversary of the outbreak of the Great Patriotic War.

But the main discussion here focused on the situation connected with the publication of the 10-volume scientific work "The Soviet People's Great Patriotic War" and the charges leveled at the authorial collective and its leader, Colonel General Dmitriy Volkogonov, member of the RSFSR Supreme Soviet. Quite recently he was taken off work on the 10-volume set but retained the post of director of the Institute of Military History. The main editorial commission, which includes the most eminent

military leaders headed by USSR Defense Minister Yazov, accused D. Volkogonov of a tendentious anti-communist account of events preceding the outbreak of war. The commission reached these conclusions after studying the second version of volume one. A transcript of the 7 March session was published by NEZAVISIMAYA GAZETA 18 June. D. Volkogonov objected to his opponents' arguments, saying: "They are urging us to write a falsified version of history." D. Yazov, on the other hand, saw the distortion of the truth elsewhere. Talking about volume one, he said that the impression you get is that people were working to denigrate not only the CPSU but also the Soviet people and to portray them as mere cattle.

It goes without saying that the people attending the press conference were aware of the situation. Two days earlier at a meeting with journalists at the CPSU Central Committee press center, USSR presidential adviser Marshal Akhromeyev confirmed the earlier charges.

Here are the arguments put forward by D. Volkogonov (from answers to questions at the press conference):

- When working in the archives I was able to see for myself that a very great deal that people ought to know is being kept under wraps...
- Aware of the top military circles' philosophical outlook, I thought that they would dismiss our work out of hand. That is what happened. We have prepared four volumes. But it was sufficient to read two chapters of volume one, "Soviet Society on the Eve of War" and "The Political Regime Tightens Its Grip," to have the work terminated...
- The genetic deficiency of our system was the main cause of the military failures at the outbreak of war...
- I have already written two volumes on Stalin, two volumes on Trotsky have been prepared, and I am now working on two volumes on Lenin. All six volumes are in the *Leader* ["Vozhd"] cycle on Soviet history and what it was like...
- For many years I was an orthodox Marxist. Admittedly, I always avoided glorifying leaders. Then what you might call insight dawned. At one time I put all evils down to the character of Stalin. Then I realised that Stalinism is a product of the system...

To IZVESTIYA's question about membership of the CPSU, Dmitriy Antonovich replied: "I remain a member of the CPSU." He believes that honest people should not be expelled from the party, otherwise the CPSU will become a reactionary party. He reaffirmed that he had no intention of denigrating the party. He considered it necessary to speak the truth—this is the basis of true history. Nevertheless, when replying to another question put to him, D. Volkogonov said that it will be possible to compile a true history of the war only in another 20-30 years, when the last survivor is dead.

There was a quite unexpected question from Radio Liberty on whether D. Volkogonov intends to run for election as chairman of the RSFSR Supreme Soviet. His reply: "I do not want to talk about that."

I can add that the atmosphere at the press conference was tense because of accusations of hypocrisy leveled at D. Volkogonov by someone in the audience. At the end of the meeting the "Military for Democracy" movement issued an appeal that the collective of authors of the 10-volume work be shielded from pressure from the leadership of the USSR Defense Ministry and the CPSU party apparatus.

The arguments about the war, as you can see, are not over yet. It is hard to judge just who is right. As only a narrow circle of people are familiar with the contents of this work, people will have to take the arguments of the USSR Defense Ministry or D. Volkogonov on trust. One thing is obvious: These disputes have the character of a political confrontation.

Cholera Epidemic Rumors Said Unfounded

LD2606194791 Moscow TASS International Service
in Russian 1900 GMT 26 Jun 91

[By TASS correspondent Marina Barinova]

[Text] Moscow, 26 Jun (TASS)—Toward the end of June there have been reports from Moldova that cholera has been diagnosed there from the Volga and that the cholera germ has been detected in the Volgograd rayon. Rumors have proliferated about the spread of the infection.

"I believe that talk about a cholera epidemic cannot be substantiated," said G. Onishchenko, deputy head of the main epidemiological administration of the USSR Ministry of Health in an interview with a TASS correspondent. "The epidemic situation in the country is being strictly monitored. If we exclude the first case this year, registered in Moldova, then the situation is normal and is in no way different from last year's situation."

Having noted that last year there was a serious epidemic in Moldova, he reported that this time, thanks to the medics who quickly diagnosed the border guards as suffering from cholera, they have managed to avoid an epidemic. The situation in Volgograd, said G. Onishchenko, is also not new. Almost every year, when the water is tested, particularly in the lower reaches of the Volga, epidemiologists detect the cholera germ. In both cases, the prophylactic measures carried out by the medical services have removed the danger of infection.

If we take account of the world situation, said G. Onishchenko, then cholera is very widespread in the world. He gave figures from the World Health Organization which bear witness to the fact that, in Peru, for example, 209,546 sufferers were diagnosed, and 1,800 of those died.

Taking into account broadening international contacts, the likelihood of this infection being carried into the country is increasing. Our medical-epidemiological service is constantly monitoring the situation and is prepared to take measures to stop its spread, emphasized the USSR Health Ministry representative.

Delors' Remarks to Cabinet Session Outlined

*PM2606135191 Moscow IZVESTIYA in Russian
22 Jun 91 Union Edition p 2*

[Report by I. Zhagel: "Mr. Delors' Lesson, Which He Gave at a Session of the USSR Cabinet of Ministers"]

[Text] An enlarged session of the USSR Cabinet of Ministers attended by representatives of the Union republic governments was held 20 June. The session was addressed by J. Delors, president of the EC Commission, who was visiting Moscow. He is known as one of the chief architects of the unification of Europe in 1992.

The latter circumstance made his views on the processes now taking place in our country extremely interesting. However, J. Delors would not be who he is—namely, a politician respected in all European countries—if his recommendations were of a direct and categorical nature. In his speech and also in his replies to numerous questions from the republics' representatives he gave a lesson in tact and respect for the sovereignty of others, as well as in competence and responsibility—which is the opposite of the populism now characteristic of our politicians.

In fact, J. Delors spoke the whole time about the problems of the EEC. But the choice of facts and the logic of his exposition of events left no doubt that this is the prism through which he proposes to look at the economic and political situation in our country and its possible consequences.

First of all, the EC Commission president pointed out that the European countries' corresponding political decision was the basis for their unification. Endless wars, particularly destructive in the present century, and the endless reshaping of borders demonstrated the need to create a United States of Europe where a concerted policy not infringing the interests of any one of the peoples would be implemented.

Our country has found itself in roughly the same situation today. The process of the republics' sovereignization has exacerbated relations among them, including economic relations. Therefore the elaboration of the "nine plus one" agreement, whereby the republics would confirm their readiness to create a unified economic space and to waive some of their powers to this end, is objectively necessary. And no politician has the right to expose this process to risk.

Taking their cue from the political decision, J. Delors said, European countries proceeded to unite their economies. At the same time the definite structures created

for this purpose are not something frozen but are constantly evolving. And the level of decisionmaking depends on the level of unification.

For example, if a high degree of unification has been achieved in a sphere, then questions can be decided here by a majority of votes. Where such a process is only beginning, a unanimous vote is required to make a decision.

And again it is very easy to relate these arguments to our country. First, we must understand that the creation of a unified economic space on our country's territory must be regarded not as a one-shot act but as a process which would take account of the specific nature of the national economy. And, second, there is no need to fear different degrees of unification in different sectors and a diversity of levels of resolving questions—which certain union ministries view so jealously now.

However, J. Delors remarked that since 1987 European countries have drastically extended the list of questions to be decided by a majority of votes. On the one hand, the high degree of integration has made it possible to do this, while, on the other, everyone has realized that without this there can be no fruitful work—it is absurd when one country can halt a decision which benefits the entire community.

The speaker spoke in particular detail—incidentally, this was the subject of the largest number of questions—about the creation of a single European currency. He pointed out that this is one of the chief conditions for the community's continued progress. Practically all countries, with the exception of Britain, are prepared to give up their own national currencies—which, naturally, will require all to pursue a tough financial policy.

The European countries' unification, J. Delors said in conclusion, has made it possible to score considerable successes. Approximately 1.5 million jobs are now being created here every year, and the investment growth rate is the highest after Japan. So Europe is looking with confidence to the future.

At present our own future appears less optimistic. And this was confirmed by the second item on the agenda of the enlarged session of the Cabinet of Ministers—the reduction of state control and privatization of state property in the country. The report by S. Assekritov, chairman of the State Property Fund, and the subsequent debate showed that here we are still far removed from elaborating the unity which Europe shows us.

TASS Reviews Soviet 17 Jun Central Press

*LD2706085991 Moscow TASS in English 0655 GMT
27 Jun 91*

[“Press Review”—TASS headline]

[Text] Moscow June 27 TASS—PRAVDA and SOVETSKAYA ROSSIYA carry today the Draft Treaty

on the Union of Sovereign States. The text of the draft treaty is preceded by the statement that this document, "analysed and specified in detail several times by official representatives of the republics, the Federation Council and the preparatory committee, formed at the Fourth Congress of USSR Peoples Deputies," has been submitted for the consideration to the supreme soviets (parliaments) of the republics and the federal parliament. The draft treaty gives extensive powers to the republics and reduces considerably the sphere of competence of the federal authorities.

PRAVDA and KRASNAYA ZVEZDA write that President Gorbachev spoke on Wednesday at a reception for graduates of Soviet military academies, held in the St. George Hall of the Grand Kremlin Palace. Such receptions are given every year by the Soviet Defence Ministry. The Soviet leader said that "armed East-West rivalry, for many decades the main indication of the unhealthy state of the whole of the civilisation, is becoming the thing of the past." Speaking about the doctrine of reasonable defence sufficiency, which forms the basis of the Soviet modern policy in the military sphere, Gorbachev pointed to the need for bringing into line with it the formation of the army and arms manufacturing, which cannot be done without a "deep military reform."

SOVETSKAYA ROSSIYA published an article reprinted from the POLITIKA journal (no. 7, June), which gives a summary of speeches, delivered by the Soviet defence and interior ministers, as well as the head of the State Security Committee (KGB), at a session of the Soviet Parliament, held behind closed doors. They informed people's deputies of the situation in the country. According to SOVETSKAYA ROSSIYA, facts [word indistinct] by them "produced such a strong impression on the parliament, that it decided to conceal from the public the verbatim record of the session." USSR People's Deputy Viktor Alksnis said in an interview with POLITIKA that the essence of their reports boiled down to the following: "If emergency measures are not taken, our country will cease to exist."

KRASNAYA ZVEZDA carries an unusual interview with Academician Boris Bunkin, general designer and head of the Almaz research and production association. It deals with the Soviet anti-aircraft missile system S-300. According to Academician Bunkin, it is more efficient than similar U.S. missiles Patriot, that were used in combat operations in the Gulf area. The newspaper points out that this interview with the general designer became possible thanks to the expansion of glasnost in the Soviet Armed Forces.

TRUD carries an exclusive interview with Zviad Gamsakhurdia, recently elected president of the Republic of Georgia. He said that all the difficulties Georgia is living through, both internal and external ones, are "the legacy of the rotten Communist regime." According to Gamsakhurdia, attempts are being made to "strangle Georgia"

both politically and economically. He described all those who are in opposition to him as "traitors" and "agents of the Kremlin".

Valentin Pavlov is beginning today his official visit to Austria, RABOCHAYA TRIBUNA writes. It published in this connection the answer given by Austrian Federal Chancellor Franz Vranitzky to the question of the newspaper about the state and prospects of the two countries' trade and economic relations. The chancellor pointed to "good" prospects of the development of relations between Austria and the Soviet Union.

KOMSOMOLSKAYA PRAVDA carries an article about the man who headed an anti-Soviet organisation of schoolchildren in Chelyabinsk in 1945.

Ahead of the London summit of the Seven, PRAVDA carries in its international section fragments of some documents dealing with the attitude of participants in the meeting of the "Big Seven" to the evolution of the world community and to processes taking place in the Soviet Union.

PRAVDA also carries an analytical article dealing with the causes and consequences of the crisis in Ethiopia that has lasted for many years. The author of the article believes that the regime of Mengistu Haile Mariam was doomed.

RABOCHAYA TRIBUNA carries the last of a series of articles by its special correspondents about the domestic situation in Israel.

Economic

Pavlov Comments on Role of Entrepreneurship

CM2706030891 Moscow All-Union Radio Mayak Network in Russian at 0030 GMT on 27 June

[Excerpts] The first all-Union conference on problems of entrepreneurship, organized by the USSR Scientific Industrial Union, ended its work today. It brought together representatives of all the country's economic circles. Here is a report by our correspondent, Sergey Omelchenko.

[Omelchenko] [passage omitted] Abalkin, Volskiy, Yavlinskiy, Yasin, Bronshteyn and Pavlov voiced their own ideas and points of view. Here is an interview I had with Prime Minister Valentin Sergeyevich Pavlov.

[Begin recording] [Omelchenko] Valentin Sergeyevich, the fact that you are here at this conference, organized by the USSR Scientific Industrial Union, shows that you respect entrepreneurship, but what role do you give to entrepreneurship in our extrication from the crisis and the transition to a normal market economy?

[Pavlov] I perceive the word entrepreneurship as freedom of activity for people of initiative. Therefore, I believe that entrepreneurship is precisely that engine which should, as they say, breath new life into our

economy. The point is that this country is in fact immeasurably rich—that is how I would describe it. But what we need is a bit of new blood, and a fresh wind to put our own riches at the service of our own interests, and the interests effectively of the whole people.

[Omelchenko] And enterprising people, who are full of initiative, can actually help in solving our problems. Please tell me, did this conference fill you with some optimism as far as solving our present problems is concerned?

[Pavlov] If trade unions are to represent workers, who are members of collectives, then entrepreneurs and their unions must actually represent the interests of those who organize production, and see that production precisely through the eyes of the economy—not just through the personal interests of a particular individual. This is, I think, very important. Today's conference clearly lays it down that in our country there should not in essence be any contradiction, one which says that if such-and-such an enterprise is a private one, then an entrepreneur heads it, but that if it is a state enterprise, then he cannot be an entrepreneur. Well, it seems to me, that there is no more important task today, generally speaking than ensure that heads of state enterprises can also become entrepreneurs.

[Omelchenko] Then things will happen?

[Pavlov] I think that then they will operate on equal terms and we shall get the economy we need. [end recording]

[Omelchenko, in studio] At this first all-Union conference on entrepreneurship, a concept of maximum assistance to the development of business initiative and economic activity in the country was defined. This concept, in the form of a paper, was aimed at all legislative and executive bodies at union and republican level, so that, on this basis, a solution to all topical problems in the period of transition of the country's [word indistinct] may be speeded up.

Pavlov Interviewed

LD2606145191 Moscow TASS in English 1441 GMT
26 Jun 91

[by TASS correspondent Veronika Romanenkova]

[Text] Moscow June 26 TASS—The all-Union conference on the problems of entrepreneurship ended in Moscow today, with its participants overwhelmingly favouring a single economic space inside and outside the country, a free movement of goods, a uniform credit-financial policy in the country, and equal conditions for the state and private sectors.

For two days, more than 150 representatives of business circles and economists (including former Deputy Prime Minister Leonid Abalkin and renowned radical economist Grigoriy Yavlinskiy) discussed problems that hamper the entrepreneurship movement and tried to

work out recommendations aimed at overcoming them. These proposals were summed up today in a special document, which will be sent to the governments and supreme soviets of the USSR and constituent republics.

The conference was attended today by Soviet Prime Minister Valentin Pavlov. In a TASS interview, he called entrepreneurship "a real force that can give a new lease of life to the Soviet economy, take it out of the crisis".

Pavlov noted that the Soviet Union has three main forces: the state, I.E. political force, trade unions and entrepreneurs. However, the latter have yet to get recognition as the existing legislation does not meet the current requirements. Therefore, Pavlov continued, main attention should be paid to legal issues.

"Representatives of various forms of property, both private and state-owned, should have equal rights", Pavlov emphasised.

For its part, the government plans to support the entrepreneurship movement, commodity and raw materials exchanges, and joint-stock companies, he noted.

Yavlinskiy on World Support To End Crisis

91410884A Moscow TRUD in Russian
22 Jun 91 p 3

[Interview with Grigoriy Yavlinskiy by TRUD political commentator V. Golovachev; place and date not given: "Steps Toward Each Other: Well-known Soviet Economist G. Yavlinskiy Talks About the Draft Program of Economic Changes in Our Country With the Support of the World Community"]

[Text] A year ago the 500 Days program, developed at Grigoriy Yavlinskiy's initiative, caused fierce arguments in our country and great interest abroad. At the time the program did not get a "green light." Following this came his sensational announcement of resignation from the post of deputy chairman of the Council of Ministers of Russia. Yavlinskiy disagreed with economic policy and with its increasingly conservative trends.

At that time, many thought that Yavlinskiy's star had disappeared from the political and economic heavens. This was not the case, however. He created the independent Center for Economic and Political Research (EPI-Center).

Lately Yavlinskiy and his colleagues have been working for almost a month (May-June) in the United States, developing, together with American experts—scientists from Harvard University—a new program for economic transformation and for our country's integration into the world economic community. A week ago the head of EPI-Center returned to Moscow. Speaking at the meeting of the Council of the Federation, he said that the accomplishment of this task turned out to be possible only because of the powers granted to him by the USSR

president and the presidents of the RSFSR [Russian Soviet Federated Socialist Republic] and Kazakhstan.

A few days ago we met with Yavlinskiy.

[Golovachev] Grigoriy Alekseyevich, in a few words—what is the essence of the program developed at Harvard?

[Yavlinskiy] During the past year many serious negative developments have taken place in our economy: the budget collapsed; production declined; prices increased sharply; and the deficit in the balance of payments increased. We were faced with a new problem: how to continue reforms in this environment? It is obvious that it will be very painful for the population. People will have to suffer enormous hardships. It could, of course, be stretched out for God knows how long, but then life will be hard anyway, except that there will not be any end—or goal—in sight.

Then this idea came up: Since we want to transition to a market economy, which has existed for centuries in the countries of Western Europe, America, Japan, and others, should we not ask for their support? Especially considering that we have proclaimed the priority of universal human values and the course toward real democracy, and therefore there should not be any particular political disagreements.

Based on these considerations, and with the aim of finding a way to make the transition to a market easier for the people to the greatest extent possible, to finish the basic reforms within four to five years, and to create an effectively working mechanism, we went to Harvard. The result was a draft program, the meaning of which is this: how, in interaction with, and with the support of, the West, to successfully accomplish our reforms.

[Golovachev] Why should the developed countries help us, and bring up one more competitor?

[Yavlinskiy] I hear this argument very often. It is a vivid example of the thinking created by the years of the "cold war" and confrontation. We lived in a closed Orwellian world, with the image of an enemy constantly nurtured in us, a world where even chance "contacts with foreigners" were frowned upon. Let us not engage in judgments in regard to that time now: The "witch hunt" was not limited to our country—it existed, for instance, in the United States, too. Today the world is entering a new phase of development; it got a powerful nudge in this direction by the perestroika processes that have been started in the USSR. You know, this is a revolution not only in politics and the economy; it is also a revolution in world outlook and conscience; it is a breakdown of stereotypes and old clichés.

Our work with the Americans, and detailed political and economic analysis proved that a joint program of reform and the creation in the USSR of a democratic state with a market economy are among the most important interests of the developed countries. First, the whole world is

interested in political stability in this region—stability which, as is known, is truly possible only on the basis of true democracy and a market economy ensuring normal life—fair prices and good salaries. Second, the inclusion into the world economy of a huge country with its resources, high intellectual potential, and ancient culture, a country that has achieved world-level success in space exploration, production of certain types of military technology, and a number of areas in medicine, will undoubtedly benefit everybody. Third, the recovery and normalization of our economy will have a beneficial influence on the economies of Eastern Europe and other countries. There are many other arguments as well.

In short, a favorable outcome to our perestroika is no less important for the West than it is for us.

[Golovachev] But nobody will give us money just like that—for nothing. The important point is: We will have to pay it back. This is what has been discussed recently in the Union parliament. Right now our external debt is about 30 billion—we are barely able to carry it. Now, they say, there will be huge annual credits, 25 to 20 billion. Will the country not end up in a deep hole?

[Yavlinskiy] This is also a familiar tune. Let us look at the situation calmly, without emotions. First, so far nobody is giving us money. Because it is clear that unless changes are made in the country we will simply eat all of this up and then we will indeed end up in a deep hole. Credits will be given to us only if there is a certainty that this money will start to "work" effectively, bring about profits out of which we could pay back the debts without difficulties. All of this can be easily calculated and modeled by experienced specialists abroad. Thus the West itself will, to a considerable degree, make sure that the money received by us will produce a profit (nobody will risk their money otherwise) and will help to put our economy on track rather than throwing it back.

This is one of the aims of our program: to develop such principles of structural reorganization and introduction of new technologies and reforms in industry, agriculture, trade, etc. that would allow maximum effectiveness in the use of resources received by us from abroad.

[Golovachev] Can we make a breakthrough, achieve the same goals on our own?

[Yavlinskiy] Yes, we can make a breakthrough, although it will take much longer this way; as to achieving the level of economic development we would achieve with the participation of the international community—no, we cannot. The time factor here is especially important. If we get onto a long and painful path of extricating ourselves from this agony, inevitably inflation will spiral swiftly, the degree of corruption in society will increase, and the shadow economy will continue to spread.

In developing our program our goal was to help the Soviet people to extricate themselves from a very difficult period with the least amount of hardship and losses.

I am deeply convinced that with the large-scale participation and support of the developed countries it will be much easier to accomplish this than by doing it ourselves, that is, as they say in North Korea, by counting on our own forces.

[Golovachev] Does your program use any of the well-known Western models, such as the Swedish or American?

[Yavlinskiy] Each country has its own cultural, historical, and other peculiarities, as well as economic specificity. Therefore we cannot repeat other models; this is absolutely unacceptable. A market economy in our country will not be a copy of the American, Swedish, or German model. We were searching for the way that is suitable exactly for our country and the particular situation it is in now.

[Golovachev] Does your program include social protection of the population during the transition to market relations? How do you resolve, for instance, the issue of prices and privatization?

[Yavlinskiy] We firmly support the position that prices of bread, butter, milk, vegetable oil, and sugar should be maintained at a low level... These and some other basic goods should be sold at stable prices. For this purpose, special subsidies will be provided. The rest of the prices are supposed to be allowed to float...

[Golovachev] And then we will have shock therapy?

[Yavlinskiy] It will be hard. But I think the situation will be better than now. Before this happens a whole complex of special measures is supposed to be in place: improvement of the financial situation, tying up the "hot" money, development of competition, saturating the consumer market with goods—both from imports, the development of the private sector, and the general regeneration of the economy. All of this should not only prevent an unthinkable rise in prices but also positively affect the population's income. Today there are increasingly fewer goods in the stores, their production is declining, while prices on the black market, naturally, keep going up. Profiteering is acquiring unequaled proportions. This is the price we have to pay for ill-conceived solutions. This is a shock—only without the therapy.

Also, keep in mind that the program contains a new approach to determining pay, which will be set in a collective contract and will rise as prices rise. A substantial role here will belong to trade unions. Protection of socially vulnerable strata (pensioners, children, and unemployed people) will be a task for the state, the republics, or, perhaps, municipal authorities.

[Golovachev] How big will the private sector be?

[Yavlinskiy] This will have to be decided by society itself. The concept only says that we should go the way of denationalization.

[Golovachev] We have heard concerns that fast privatization may lead to grave consequences and a situation where shadow economy dealers will buy up everything...

[Yavlinskiy] On the contrary; the point is that right now privatization is being conducted in an uncivilized way. For a bribe, for instance, one can buy for peanuts a store, a production shop, or a cafe. Quite often state property is simply pilfered. We propose to conduct privatization only within the framework of the laws adopted by the Supreme Soviets of the republics. Also, all of this should be done publicly, under strict control, with the identification of sources of funds.

[Golovachev] Almost everything you describe is contained in the government anticrisis program as well. In what way is your program different?

[Yavlinskiy] I have not had an opportunity to familiarize myself in detail with the latest version of the anticrisis program. But the substance of our proposal is to take the country out of the crisis with the help of the world community. Therefore, our program outlines a faster transformation pace. We should not prolong the illness too much...

[Golovachev] Will your program be published?

[Yavlinskiy] Yes, we want to do this in the nearest future.

[Golovachev] What if society does not accept this program?

[Yavlinskiy] This is a good question. I want to specifically emphasize: We have no intention of "imposing" it on either the people or the leadership; we have no plans of "sneaking it through," as we are sometimes accused in the press. It is very simple: Our group did the work—economic design, calculations, and research. We are offering this program to society—to consider and compare with other concepts. Then it is for the people themselves to decide: Do they want to accept the program, send it back for further development, or reject it. We will accept any decision calmly. It will be the way the majority wants it to be. After all, it is the people themselves who must determine their future. That is why the program is called "Consent to a Chance." It is a consent of the people, a consent of the republics, and a consent of the world community. Only with such consent is it possible to achieve success. We are acting publicly, honestly, and openly.

[Golovachev] What if the republics do not consent?

[Yavlinskiy] We are talking about a voluntary union of sovereign independent republics, which create a center in their own interests. In this sense we are for the Union. But it will be, of course, a deeper integration than, for instance, the EEC in its current form. Such are our historic traditions, and such are the demands of our economy. Therefore a unitary economic space will be created not through orders but on the basis of common interest. There is

nothing stronger than economic stimuli. If there is no consent, nothing will come out of it.

[Golovachev] You presented this program several days ago in Novo-Ogarevo, at the Council of the Federation. What was the reaction?

[Yavlinskiy] Great interest. There were many questions, interest in details, and inquiries as to the possibility of large-scale participation by the world community.

[Golovachev] What was M. Gorbachev's reaction?

[Yavlinskiy] We have not discussed this program with him separately. Judging by his questions, the USSR president is carrying out a deep and attentive analysis of this document.

[Golovachev] Did you have a conversation with B. Yeltsin on this topic?

[Yavlinskiy] Yes. Both he and N. Nazarbayev support this program. We discussed these ideas with Boris Nikolayevich many times. He has always followed this work with great interest, and has offered a considerable number of important considerations. Generally speaking, his election as president of Russia provides a good chance to succeed in this undertaking.

[Golovachev] This draft has been also presented to U.S. President G. Bush. What was his attitude?

[Yavlinskiy] We do not have the final word, but American officials and specialists, who generally viewed this project positively, told us that there is serious interest toward it in the U.S. Administration.

[Golovachev] Where does this program go from here?

[Yavlinskiy] We are going to publish it and see what the reaction of the people will be. A lot will depend on the positions of the republics' leaderships and that of USSR President M. Gorbachev.

[Golovachev] Has USSR Prime Minister V. Pavlov shown any interest in it?

[Yavlinskiy] We do not have any signals from him yet. I do not know whether he has read our program at all...

[Golovachev] What was the attitude in the United States toward yourself and the USSR?

[Yavlinskiy] We have established good relations with American specialists. We understand each other very well; we speak the same language—the same way as, for instance, mathematicians, physicists, or chemists from different countries would. There is respect and a lot of interest toward the USSR in the United States. We are now seen not as an enemy but as a partner. This is a sign of the times.

Supreme Soviet Deputies Cautious on Privatization

91A0882A Moscow SOVETSKAYA ROSSIYA
in Russian 21 Jun 91 First Edition p 2

[Article by L. Sergeyev: "Debates in the Kremlin: the Paradox of Redemption"]

[Text] The draft law on privatization continues to be a subject of debates. What do participants in the USSR Supreme Soviet session think in this regard? Here are arguments of those who spoke from the parliament's rostrum.

V. KURTASHIN, chairman of the USSR Supreme Soviet committee on industry and power engineering:

We are examining the law on privatization. Are we prepared from a legal point of view to examine this document thoroughly and how it will affect our workers?

The interbranch state association Kriogenika is a large association: 600 million rubles [R] of basic funds. It produces products for approximately R600 million, and 40,000 persons work in it. We just held a council of enterprises in Omsk. We very earnestly discussed the draft law on privatization. We could not come to an agreement on how to make redemptions. And we will not redeem, because there is no mechanism for redemption. We are forgetting also about the infrastructure of the city: There we have schools, hospitals, kindergartens, and so forth. That is, the person is not protected in this law.

Who will do the buying? It is written in the document in black and white that the purchases can be made by enterprises, soviets, legal persons, and other citizens. What kind of "other persons?" The kind of paradoxical provision is also written according to which they have the right of initiative in the event that the soviet of an enterprise and labor collective rejects redemption. Someone has some kind of a right of initiative. But given our state of society—imbalance, lack of a market, and total paralysis of the economy—we have arrived at a point that, given the availability of funds and orders, no one is fulfilling them, and the ukases of the president are not being carried out. And here we are starting privatization...

We have established exchanges. What is an exchange? Having the funds, we buy metal on the exchange that is three times more expensive. I have several enterprises that stopped and were compelled to buy commodities on the exchange. This, they say, is the new method of economic management, this is the modern method. Although the exchange has not even been defined by law.

A. ZHURAVLEV, deputy chairman of the Soviet of the Union commission on labor and social policy:

If we make a mistake in this law, then it will be a very expensive one. I, for example, read the title of this law as: concerning the basic principles of de-state-ization and privatization of industrial, construction, and transport

enterprises. When it is read carefully, then these are the only enterprises that, in fact, are being talked about. That is, we are attempting to look at the very broad problem of privatization from a narrow point of view. Left out are trade and sociocultural enterprises, and other enterprises that should be privatized.

I think that our main purpose now is to energize the labor activity of every citizen of the country. For this, it is necessary that he becomes motivated in his work, and that he becomes his own master. In this respect, the current draft law does not reach every citizen.

We have not said a word about stages. What, are we planning to privatize everything all at once and within several years? Or will we, nevertheless, have some kind of stages? For example, the first stage, when small enterprises are privatized in the sphere of everyday services, in trade, construction, and so forth. After all, it is clear that perhaps large enterprises should not be subject to privatization.

But I am troubled most of all by that category of the population which is engaged primarily in intellectual labor. After all, it is not an accident that we may now lose that part of the population that intends to leave our country. I have the feeling that the situation in our country is approaching mass folly—that a massive departure of people from our country is approaching. We must do everything possible to give them an opportunity to realize themselves here.

I see two possibilities. The first is the creation of a system of preferential advancement of loans. The second is to implement wage reform as fast as possible. We are losing a lot of intelligent people, given the miserable wages that people of intellectual labor mainly have today.

V. TSYGANOV, deputy chairman of the USSR Supreme Soviet committee on transport, communications, and information science:

First of all, the main concern is a result of the established level of the capability of the law under de-state-ization and privatization not to permit the acquisition of enterprises and their property owing to resources siphoned off from the shadow economy. Nowhere is it stated in the document that no case will be permitted of repeated acquisition of property by the same individual.

Therefore, we do not know today what the responsibility is of a citizen who does not make a declaration, and what the control mechanism of the state and society will be in such cases.

Today, more than 90 percent of the population have savings of R2,000 to R2,500, which under conditions of today's prices are an extremely small amount on the scale of those resources that will figure in the process of privatization.

And a second question then arises quite naturally: On whose behalf will privatization be conducted? Whom is

it intended for? For the enrichment of the rich or for the final impoverishment of the main mass of people who are counting on having full rights in our new society? It is proposed to discuss this question once again from positions of principle, keeping in mind that the main thing is not in what we will call this property—state or the people's—but in the fact that this property was created through the efforts of the entire Soviet people, through the labor of several of its generations, and at the price of chronic undernourishment and low wages. After all, it is no secret to anyone, and it was impressed on us from childhood, that it is this property that guarantees our well-being, material and personal independence, and social protection. The sale of this property only to those who today have the means and, as a consequence, the opportunity to redeem property from enterprises, including foreigners, it is suggested to us, is amoral. It is probably difficult not to agree with this. To allow this, of course, is impossible.

It is noted that the sale of a state enterprise at an auction is conducted in the event of the refusal of a labor collective to acquire property under conditions set forth by the state property fund. In our opinion, this is a very dangerous formulation, inasmuch as the fund can propose unacceptable conditions and the collective will refuse, and afterwards the enterprise will be sold in an auction. In this case, the question arises: to whom? The one who will offer more money than the workers who work in the enterprise itself. The law must not forget about the priority in redemption of property not only by members of the labor collective, but also by veterans of labor and pensioners who worked for many years at the given enterprise.

Forced privatization without the consent of the labor collective must not be permitted. At the same time, provisions of the articles allow such a possibility. True, the collective retains the right of complaint later in organs of the court of arbitration against such decisions.

Questions concerning the privatization of housing require special attention. It would be advisable under de-state-ization and privatization to resolve the question of the privatization of housing that belongs to enterprises in special legislation devoted to the privatization of housing in the entire country. This feature has to be emphasized in the draft law.

Finance Minister Explains Income Tax Changes

*PM2606140191 Moscow PRAVDA in Russian
25 Jun 91 Second Edition p 1*

[Interview under the "Our Commentary" rubric with V. Ye. Orlov, USSR minister of finance, by G. Yastrebtsov; date and place unspecified: "Income and Tax"]

[Text] As already reported, at its 11 June sitting the USSR Supreme Soviet session adopted laws on alterations and amendments to the laws adopted in 1990 "On Income Tax Levied on USSR Citizens, Foreign Citizens, and Persons Without Citizenship" and "On the Phased

Abolition of the Tax on Bachelors, Single People, and USSR Citizens With Small Families." In this connection the editorial office asked V. Ye. Orlov, USSR finance minister, to answer a few questions.

[Yastrebtsov] Vladimir Yefimovich, what are the aims of the new laws. What is their essence?

[Orlov] First and foremost, they contain new personal income tax rates. I would say that to a certain extent the new laws develop the presidential decree "On Retail Price Reform and Social Protection for the Population." It is planned to noticeably reduce the expenditure incurred by citizens as a result of the rise in the retail price of goods and services. As far as income tax is concerned, provisions are being introduced which stem from the law "On the General Principles of Enterprise by Citizens in the USSR." Moreover, the income tax law has been brought into line with other recent documents touching on taxation in one way or another.

[Yastrebtsov] To be specific, what changes to the legislation will affect each of us most of all?

[Orlov] It is well known that the state, paying the population guaranteed monetary compensation in connection with the rise in retail prices, pledged that this compensation would not be taxable. That is why the sums paid out before the price rise—that is, in advance—did not have any income tax deducted. Since the guaranteed minimum compensation sums will now be part of the new salary scales, income tax rates are being set in such a way as to ensure that working people receive their compensation payments in full in all cases.

I would remind you that hitherto monthly earnings of less than 100 rubles [R] were not taxable. But if people earned more than R100, the entire sum became subject to tax. Now the procedure is different. For the first time a genuinely tax-free allowance is being introduced for the bulk of working people with earnings up to and including R1,000. This means that, within this total, taxable income will be set at earnings minus R160.

[Yastrebtsov] I don't quite understand. Could you please give an example?

[Orlov] Well, say you earn R300, only R140 will be taxable. Or if you earn R900, R740 will be taxable. If you earn more than R1,000 a month, the tax on R1,000 will be the baseline figure, and rates will increase progressively.

[Yastrebtsov] But have the minimum and maximum tax rates been reduced?

[Orlov] Yes, on earnings between R161 and R1,000 income tax will now be 12 percent instead of the previous 13 percent, and the rate levied on the proportion of earnings exceeding R3,000 a month has been reduced to 30 percent.

[Yastrebtsov] Despite last year's improvement in the system of income tax rates, the amount of tax paid

differed considerably according to the category of taxpayer, so to speak. For instance, workers or employees would, on the whole, pay tax of R2,234.40 on an annual income of R14,400. But a craftsman with the same annual income used to pay some R4,000 more. What will be the situation now?

[Orlov] People with equal incomes will now pay equal amounts—whatever category of taxpayer they fall into. This is an important point. Under the conditions of the development of market relations we have finally gradually started switching to a system of universal income tax.

[Yastrebtsov] Will these measures cost the state a "pretty penny"?

[Orlov] The country's population will obtain additional income of around R12 billion a year. That is a considerable sum. Although I will say directly that this money will only have real buying power under one condition: The country's national economy should produce over and above the plan goods worth at least the same amount. Simply increasing the population's available income will just stoke inflation.

[Yastrebtsov] There is a lot of talk about privatization and denationalization at the moment. How might this process be reflected in taxation?

[Orlov] In order to give people an interest in acquiring the property of state enterprises and in buying shares and other securities, it has been laid down that sums spent by citizens for these purposes will not count toward taxable income.

[Yastrebtsov] I think that by no means all of us will become entrepreneurs. So far people are more concerned about the simplest things: what to buy, where to get a cheap meal...

[Orlov] I hear what you're saying. There is an agreement between the country's government and the trade unions to the effect that sums paid by enterprises and organizations to their workers to cover the increased cost of food in their cafeterias and snack bars, the cost of wholly or partly reimbursed vacation or medical travel—including travel passes for workers' children to young pioneer and other children's health camps—as well as sums to cover workers' travel costs to and from work on city or suburban transport will not count toward taxable income. The USSR Supreme Soviet agreed to this proposal and extended the privilege to students.

In conclusion I would say that the legislation on tax and personal income will continue to be honed and altered as other aspects of our society's economic and social life are developed and improved.

Aganbegyan Cited on National Economy Academy

PM2606124991 Moscow PRAVDA in Russian
21 Jun 91 First Edition p 1

[Report by N. Ilinskaya: "Diplomas for Director and Others"]

[Text] Today the USSR Cabinet of Ministers Academy of the National Economy presents diplomas to its graduates. Directors of enterprises, leading specialists from central and republican economic departments and ministries, and the leaders of services of soviet executive committees underwent training under new programs and acquired knowledge which will facilitate entry into the market economy. The reorientation in the academy's work is described by its rector, Academician A.G. Aganbegyan:

"Like any educational establishment we train cadres for work in the future. And our future is a market economy and integration in the world economy. Without a knowledge of management and marketing, without the business ethics accepted in the civilized world, you will not build an open economy. The complication is that our economic leaders and all society have been educated in antediluvian concepts and theory alone is not enough to understand the complicated philosophy of business and activity to create goods and services and their sale on the market under conditions of competition and risk. That is why the academy is carrying out what we call the further instruction of our students in the best Western business schools.

"It is not only the content of education but also its forms which are changing. In addition to traditional one-year and two-year courses for state employees and enterprise and bank leaders we are introducing widely special-purpose brief programs for the retraining of national economy specialists to work in the market infrastructure. An international foreign business school has been created. The 'Gen' business training center opened this March enjoys great popularity. At this center we train businesswomen in entrepreneurship."

Council Discusses Free Economic Zone Concept

OW2606053891 Moscow INTERFAX in English
1230 GMT 25 Jun 91

[Following item transmitted via KYODO]

[Text] The regional council convened for its 5th session in Vladivostok on Tuesday. Its executive committee gave an account of the work done. A major issue is the implementation of the resolution on setting up free economic zones in the Pacific Maritime Territory and in the city of Nakhodka adopted by Russia's Parliament on October 24 last year.

Vladimir Kuznetsov, head of the executive committee of the regional council, said in his report that time for a gradual transition to free market had passed. "Considering the forming of the Far Eastern association of

councils, early next year we shall be able to have a concept for developing the Territory basing on the prospects for developing the Soviet Far East as a whole", he said. Despite decisions on setting up free economic zones in the Pacific Maritime Territory and in Nakhodka, the problems of customs and border regimes which belong to the competence of the central government remain unresolved.

According to Kuznetsov, recently he was informed by the USSR President's office that adraft document on this score will soon be considered and adopted. Kuznetsov believes that the current state of affairs; the signing of a Union treaty and Mikhail Gorbachev's meeting with the Big Seven in London, might be conducive to attaching more importance to foreign trade in the Soviet Far East.

Efforts have already begun with a view to creating an economic zone in the village of Grodekovo and in Hasan district of the Pacific Maritime Territory, said Kuznetsov.

With reference to the idea of cancelling Vladivostok's status of a closed city he said that a commission of Russia's parliament was to arrive in the city on June 3. However on June 4 they were informed that its arrival was postponed indefinitely.

The regional council will be in session till June 28.

Problem of Theft on Railroads Reported

PM2506150991 Moscow Central Television Second Program Network in Russian 1700 GMT 13 Jun 91

[From the "Vesti" newscast: Report by I. Provolnev, identified by caption]

[Text] [Provolnev] Near Voronezh a criminal gang has been exposed which engaged in large-scale thefts of goods and materials from railroad containers. Videocassette recorders, audio cassettes, coveralls, chandeliers, motor spares, and other scarce goods were misappropriated.

[Investigator V. Spesivtsev, identified by caption] In connection with this incident at the Pridacha railroad station criminal proceedings have been instituted and an investigation is under way. The thefts were carried out mainly by people working at the Pridacha station. The stolen goods were shipped out and resold.

[Provolnev] And this is the container depot where the goods are stored. Incidentally, it is one of the biggest depots on the Southeast Railroad. What is totally incomprehensible is the attitude of the Pridacha station security guards. Describing it as negligent would be putting it mildly.

[Announcer] The author of this report is, in my opinion, trying to ask some questions about thefts on the railroads. The answer is plain on the whole. Railroad employees clearly enjoy extensive protection. Many people benefit from the thefts. This explains why freight

cars have essentially been left unguarded for years. They do not even have padlocks on them, incidentally. The doors are kept shut with a piece of wire. Railroad workers claim that no funds have been provided for the purchase of locks.

Agricultural

Regional Harvest Prospects for 1991 Considered

PM2606144391 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 21 Jun 91 p 1

[Feature under the "Harvest Prospects" rubric comprising an INTERSEPT report, correspondent reports, and unattributed commentary, under the general heading "Will We Manage To Hold Out On Corn and Potatoes?"]

[Text] This year the Soviet Union is threatened with a poor grain and potato harvest. According to a BBC report, CPSU Central Committee Secretary Valentin Falin has said that, according to government forecasts, the potato harvest this year will amount to only one-half of last year's harvest. In his words, no estimates have so far been made regarding the grain harvest, but important grain regions like the Urals and Kazakhstan are threatened with their severest drought for an entire century. Falin, a former ambassador to the FRG, told economic experts in Duesseldorf that strikes in the Soviet Union have led to a shortage of spare parts for combine harvesters.

Novosibirsk Oblast

A drought like the present one has not been experienced in Novosibirsk Oblast for a long time. "We are burning like Swedes"—this is how the situation was summed up in the oblast's agro-industrial committee. Many of the oblast's southern rayons have not seen a drop of rain since early spring. The grass is "burning." There is no water for the cattle to drink. Water already has to be fetched from 50 km away. Men and equipment are being moved to the north of the oblast in order to bring in without any loss the meager harvest—but a harvest nonetheless—of silage crops. Worst hit are poultry farms and hog raising complexes—the famine has already begun for their inhabitants: There is neither mixed feed nor grain to be had.

[Signed] N. Kopylova

Rostov Oblast

From the redistribution of resources in favor of the agro-industrial complex to the dismissal of any leader of oblast rank—this is the range of the powers of the Emergency Commission for Ensuring Prompt and Proper Preparation for the Harvesting, set up by Rostov Oblispolkom [oblast soviet executive committee].

[Signed] TASS Correspondent V. Bondarenko

Kursk Oblast

But we, it would appear, are once again threatened with a surprise—a bumper harvest. The heavens have been favorably inclined: They provided those few drops of rain in May which, according to the unprintable catchphrase that is well known in rural circles, significantly reduce the workload of agronomists. A.I. Serebryakov, one of the principal specialists at the oblast's Agrarian Department, said that, according to forecasts, the winter grain crop lands will be just as bountiful as last year.

But everyone is awaiting the harvesting with great alarm. Difficulties with spare parts, fuel, and transport have reached unprecedented dimensions.

[Signed] T. Belaya

Krasnoyarsk Kray

Krasnoyarsk Kray's farms have drastically reduced the areas sown to potatoes and other vegetables—roughly by 20 percent. There are several causes. First, with the technology presently available, the peasants cannot cope with the "stagnant" hectares without the aid of townsmen, and the situation regarding unpaid workforce nowadays is terrible—everything has to be paid for. Second, last fall the Krasnoyarsk trade network cut back its purchases of potatoes and other vegetables from farms, explaining its position by the lack of vegetable storage facilities. In the upshot about 15,000 tonnes of potatoes were left to spend the winter in the ground in Krasnoyarsk's suburban rayons alone.

We should not be expecting an abundance of vegetables in the fall from the state trade network and the kolkhozes and sovkhoses. Maybe the private farmers will inundate us with green vegetables? There are 450 such farmers in Krasnoyarsk Kray. The majority of them prefer to engage in livestock rearing.

[Signed] Correspondent V. Nelyubin

Chernobyl Zone

It cannot be ruled out that this fall the motherland's granaries will "glow in the dark" from radionuclides.

Agricultural work is still being carried out in Chernobyl fields with a level of pollution from radioactive substances ranging between 15 and 40 Curies. Last summer, in Gomel Oblast's Vetkovskiy Rayon alone, grain was harvested on around 7,000 hectares. This land has not been taken out of the crop rotation cycle to this day.

M.A. Belodedov, chairman of Vetkovskiy Rayon Agro-Industrial Association, sees nothing terrible in this. He is fulfilling the decision of the Belorussian Communist Party Central Committee Bureau and Council of Ministers Commissions for the Elimination of the Consequences of the Disaster.

[Signed] N. Yefimov

Zaporozhye

It would appear that people in Zaporozhye Oblast will have to tighten their belts. There is a drought in four of the oblast's rayons, and in addition winter crops sown on 50,000 hectares of land have perished. The lack of herbicides is also adding to the difficulties: The fields are covered in masses of weeds.

But even this does not complete the list of all the "charms" of the current season: Because of a boycott of the countryside by townsmen, the area sown to vegetable crops has been reduced—there is no one to harvest them. And as a result of industrial racketeering—contract prices on equipment—it is expected that 60 farms will make losses.

At the same time there are some causes for joy—there should be sugar and buckwheat in abundance: 600 hectares have been sown to sugar beet and 3,500 hectares to buckwheat.

[Signed] Yu. Gulya

Stavropol Kray

For the third year running, the farmers in Russia's south have scored a rare success. 1989 was a bumper year. 1990 was positively a record year. More than 6 million tonnes of grain was harvested in the Stavropol region that year. This year promises a bumper harvest as well. According to a forecast by experts at the "Stavropolkray-agropromsoyuz" Crop Husbandry Department, the region's fields may yield 5.5-5.8 million tonnes.

[Signed] O. Shapovalov

[Unattributed commentary] It is difficult to state accurately whether the prospects for the harvest in our country are good or bad. The state is vast: In one place where is a downpour—in another, a drought. You cannot guesstimate it. But even according to the "state" estimate, not a guess, we have had an "average" year in terms of harvest yield. So said the country's premier at the Peasants' Union Congress, which has just finished. At the same congress M.S. Gorbachev added that the situation is truly difficult in Kazakhstan and Siberia, but anyone living to the west of the Volga has nothing to complain about. There are huge opportunities for bringing in a bumper harvest, both in feeds and in grain.

Our hopes for a speedy and all-transforming economic perestroika are hanging in the air. And people living in the "interim period" know only one ancient, old-world antidote to bad weather—solid work.

RSFSR Agricultural Progress Summarized

PM2606131191 Moscow SOVETSKAYA ROSSIYA
in Russian 22 Jun 91 First Edition p 1

[A. Gamov "Agricultural Review": "...So Shall You Reap"]

[Text] These hot, rainy June days are a good time to sum up the results of the spring campaign, which has virtually finished in the Russian Federation—work is now under way on the last few thousand hectares. According to the figures of the RSFSR [Russian Soviet Federated Socialist Republic] Ministry of Agriculture and Food, 43.4 million hectares have been sown to grain crops.

True, the pace has been slower than planned in the corn, flax, vegetable, and potato fields, and rain has prevented the farmers of the North Caucasus, the Central Chernozem Region, and the Non-Chernozem Zone of Russia from working properly.

As for the Volga Region, the Urals, and Siberia, there grain growers have carried out sowing work in complete "accord" with the weather. True, now, when it is just the time for the shoots to build up strength, these regions are experiencing extreme hot weather. All hopes rest on the promised rain and the graingrowers' experience.

Despite the fact that the weather this year has visited sometimes rain, sometimes hot weather upon the Russian farmers, they have already begun intensive procurement of coarse and succulent feed—56 oblasts and republics have embarked on this work. The first cuts over an area of 5.3 million hectares have made it possible to lay in 3 million tonnes of hay and 4.8 million tonnes of haylage. The grain growers of the Caucasus are already harvesting winter barley.

Unfortunately, big delays in preparing harvesting equipment for work have occurred this year. The situation is made even worse by the fact that over the last five years Russia's fleet of grain harvesting combines has fallen by 92,000 vehicles, while feed harvesting combines have decreased by 25,000 units. How can you work in such conditions?

The harvest-transport links headed by such well known machine operators in the country as N.V. Bochkarev and N.V. Pereverzeva produce an average daily performance figure per combine of 30 or more hectares. I.M. Popov, leading engineer at the RSFSR Ministry of Agriculture and Food's "Rosagrorremmash" association and honored agricultural machine operator of the republic, considers that the potential exists today to increase grain combines' average daily performance figure to at least 12 hectares. This will enable Russia's kolkhozes and sovkhozes to carry out the harvesting of grain crops in 11-13 working days and to harvest 25-30 million more hectares in this time by making more effective use of equipment.

Road transport comes under particularly heavy pressure during the harvesting period. The USSR Ministry of Agriculture and Food submitted a proposal to the country's Ministry of Defense for the dispatch of at least 37,000 trucks and driving crews to harvesting work. As USSR President M.S. Gorbachev reported in his speech to the constituent congress of the Peasant Union, an

instruction to dispatch the requisite vehicles and personnel to harvesting work has now been signed by the defense minister. Some servicemen have already started work.

Specialists are still cautious about making forecasts about the future harvest. But many are inclined to the view that this year, like last, it will be possible to harvest at least 127 million tonnes of grain. But to do this we will all have to work together.

Military

Marshal Yazov Addresses War Veterans 22 Jun

PM2606143191 Moscow KRASNAYA ZVEZDA
in Russian 25 Jun 91 First Edition p 1

[TASS report: "Unaging Pain of Generations"]

[Text] The leadership of the USSR Ministry of Defense had a meeting with veterans of the 1941-1945 Great Patriotic War in the M.V. Frunze Central House of the Soviet Army 22 June.

Participating in the meeting were Marshal of the Soviet Union D.T. Yazov, USSR minister of defense; Army General M.A. Moiseyev, chief of the USSR Armed Forces General Staff; Colonel Gen. N.I. Shlyaga, chief of the Main Military-Political Directorate of the USSR Armed Forces; USSR Deputy Defense Ministers [plural as published] Lieutenant General M.S. Surkov, member of the CPSU Central Committee Politburo and secretary of the All-Army Party Committee; and A.N. Soshnikov, first deputy leader of the department for questions of defense and state security under the USSR president.

Addressing the meeting participants, USSR Defense Minister Marshal of the Soviet Union D.T. Yazov said that there are dates in history, the memory of which lives on as an unaging pain in the hearts of generations. For our people such a date is 22 June 1941. The day that marked the start of a cruel war which an aggressor imposed on us and which became for us the Great Patriotic War. The vast country rose as one. All—from young to old, regardless of language and nationality—rose to defend the motherland, to defend the homeland.

It was a fight to the death. German fascist aggressors—an enemy who knew no pity or mercy—invaded the country. Subjugated Europe was at his back. Before him stood a people whose enslavement signified a direct path to world domination. And if the aggressor failed in this, it was only because Soviet man, the Soviet soldier rose up in his path.

Today, a day of nationwide sorrow and remembrance, the USSR defense minister went on to say, we pay a tribute of profound respect and gratitude to those who took the enemy's first, most dreadful blow. We remember those who did not return from the war, who gave their lives for the motherland, and those who died of their injuries during the postwar years. We remember

you, our combat friends. You are still with us today in the united formation of the homeland's defenders. We bow low in your honor!

Here, among us, are those who half a century ago had occasion to take the fascists' first blow. It was a blow from a cadre army that had been mobilized in advance, been deployed, was comprehensively equipped, and had two years' combat experience. It had been designed to smash our Army, paralyze its will, and sow fear and panic.

It did not come off! Covering forces fought with unbending fortitude. The defenders of Brest Fortress held off large-scale enemy forces for a month. Units of the 67th Rifle Division defended the city and naval base of Liepaja for nine days. In five days of fighting near Rava-Russkaya the 41st Rifle Division contained an onslaught by five enemy divisions and inflicted large losses. The 99th Rifle Division drove the enemy out of Przemyśl with a swift counterattack and held the city for a week....

Our fighters and commanders in the air and at sea fought just as courageously and skillfully as on the land. All of them—infantrymen, airmen, seamen—merit the greatest, highest praise, Marshal of the Soviet Union D.T. Yazov emphasized.

I will name just a few of those who greeted 22 June 1941 in the ranks and who are here with us today. There is Hero of the Soviet Union Lt. Gen. Nikolay Rodionovich Andreyev, retired. He was a tank commander at the time. In a combat aircraft Major Gen. Ivan Lazarevich Gallay, retired, repulsed the Hitlerites' first air raids on Moscow. Captain First Rank Boris Mitrofanovich Lyakh, retired, was commanding a cutter in the Northern Fleet. Senior Lt. Yekaterina Illarionovna Mikhaylova (Demina) was a medical corpsman on the Western Front and saved the injured.

Fate did not bring every front-line soldier through a battle which became widely known. We all had our own unnamed heights, our own line where we had to take a last-ditch stand. You will remember what a person was valued for at the forward line. What was important was how he fought, whether he was reliable and steadfast in danger and would not let you down. This applies to both the commander and the private. On the battlefield they are soldiers just the same.

In this connection I wish to remind you of words in the 1716 Military Regulations, written by Peter I. "Soldier is a common, celebrated name. The name of soldier is borne by a famous general and by the rawest private." Fine, true words! They literally totally demolish the fabrications of those who are today trying to dismember the officer corps and to set soldiers and sailors against it. Such attempts cannot be left without a firm and clear reply from us, the speaker emphasized.

The Great Patriotic War showed that our Army's military formation is strong in unity. Soviet soldiers and

officers are sons of a single people, with the same interests and a common history and things to revere. And they are united by a common feeling—a sense of duty and a feeling for the homeland, which must be defended at any price. Both there, in the trenches of 1941, and here, half a century later, we are together, beneath the same banner.

May the traditions of the front-line soldiers—the traditions of troop friendship and soldierly comradeship—continue in the deeds of new generations of the motherland's defenders. Honor and glory to combat fraternity!

Front-line soldiers—both fighters and commanders—were linked by loyalty to the oath, which gave them strength. The heavy losses, the retreat, encirclement, the death of comrades, and the bitter failures in the initial period of the war did not shake that loyalty. It was the basis of military valor and the guarantee of fearlessness, courage, and daring.

Yes, we had to fight a strong enemy experienced in military matters. But everyone who was at the forward line, who went into the attack, who fired weapons and engaged in hand-to-hand fighting well knows that our soldier did not yield to the enemy in single combat and had no equal in terms of gumption, mutual assistance, initiative, and staying power.

Today there have suddenly come to light among historians, journalists, and writers so-called "purveyors of the truth" who maintain that we both began and ended the war "without knowing how to fight." It would probably be impossible to imagine a worse cynicism. Thus, "without knowing how to fight," we not only withstood the onslaught of a most powerful, well-trained, and experienced army but also smashed it in a number of brilliant operations, liberated the motherland and also half of Europe, and, finally, achieved the Great Victory!

The absurdity of such fabrications is obvious, and yet they migrate from certain "independent" pages to others and corrupt young souls which have not yet resisted!

Another thesis is also current at present: about our losses, which allegedly exceeded the enemy's losses many times over. This too is a cynical lie.

In his speech the USSR defense minister cited the following figures: The irrevocable losses of our Armed Forces in the battles against the German fascist invaders during the years of the Great Patriotic War amounted to 8,668,400 people. This was the price of our victory. It is immensely bitter and heavy. But no one is permitted to speculate on it. It is comparable with the aggressor's losses. These totaled approximately 6.5 million people among the armies of fascist Germany and its satellites.

The aggressor gambled on destruction. According to the "Barbarossa" and "Ost" plans, many tens of millions of our compatriots were to be annihilated and killed. The enemy succeeded in killing—together with those killed at

the front—a sum total of approximately 27 million people. This is the price of war.

The strength of the people's spirit stems from their historical memory, D.T. Yazov emphasized. The writer Fedor Abramov said: "A people dies when it becomes a population. And it becomes a population when it forgets its history."

The present attack on Soviet history is aimed at destroying the people's historical memory. One of the chief targets of this attack is the history of the Great Patriotic War.

Some strive to cheapen the people's labor and military exploit and to belittle the significance of our Great Victory in the last war.

Others want to introduce into people's consciousness the idea of the equal responsibility of Germany and the USSR for unleashing the war, of the supposedly preventive nature of the fascists' military actions, and of the aggressor's almost civilizing mission.

Yet others seek to impart an exclusively nationalist hue to the war's events and to use them for self-seeking speculative purposes.

Others again whitewash the traitors and fascist hangers-on.

The 50th anniversary of the start of the Great Patriotic War and the half-century anniversaries of its subsequent events are the points and the commanding heights in the revival of patriotism and the people's defense awareness from which we must mount an offensive against any manifestations of antihistoricism, anti-Sovietism, and antipatriotism, the speaker pointed out. And we must mount this offensive persistently, systematically, and purposefully, not losing sight of the chief reference point—the 50th anniversary of the Great Victory.

I believe, the defense minister said, that everyone remembers the winged words which D.M. Karbyshev flung in the Hitlerites' faces in the concentration camp when they tried to secure his agreement to cooperate: "My convictions do not fall out with my teeth because of the lack of vitamins in the camp diet."

I believe that your convictions and mine have not changed over half a century either. Why have we begun to be ashamed, as it were, of the fact that what triumphed in the Great Patriotic War was our socialist social and state system, the country's unified political, economic, and military leadership, the inviolable friendship of all the Soviet Union's peoples, and the devotion of millions of Soviet people—at the front and in the rear—to the cause of Great October?

All these were life-giving sources of the victory. And no one is permitted to consign them to oblivion!

A special role here belongs to veterans of the Great Patriotic War. Who, if not we, is to defend all the best

things that brought us up, led us into battle, and helped us to build a new life? The veteran's word, his active ideological and moral stance, his bold rebuff to attempts to present our military past in a black light, and his example of devotion to military duty and to the cause of October have special weight and value.

At today's crucial stage in our country's development veterans are faced with the difficult and responsible task of ensuring the generations' spiritual continuity and passing on to young people the relay baton of service to the people and of readiness to defend the homeland with dignity and honor. This is, perhaps, our best memorial to the last war!

We are preparing to mark the 50th anniversary of the major dates and events of the Great Patriotic War, right up to the half-century jubilee of the victory, D.T. Yazov went on to say. This is provided for in a recent USSR presidential decree. See what layers of the people's and soldiers' glory we must raise!

The 50th anniversary of the battle of Smolensk and the birth of the Soviet Guard.

The 50th anniversary of the battle near Moscow.

The 50th anniversary of the battles near Stalingrad and Kursk and on the Dnepr.

The 50th anniversary of the preparations for and the implementation of the victorious offensive operations to liberate the territory of the USSR and of a number of European countries from fascism.

We must perpetuate the exploit with the Victory Monument on Poklonnaya Hill. And we will construct it by May 1995!

The veterans councils, every one of us, public organizations, and all the country's patriotic forces must unite, overcome the existing parochial differences, and act as a common, concerted front. We must make full use of dates associated with the start of the war and its most important events in order to revive and strengthen patriotism as the basis for the people's consolidation and the homeland's prosperity.

I would like to speak about the following in particular. Concern for and attention to the front-line generation are our common moral obligation.

The sacred words "No one is forgotten, nothing is forgotten!" must be purged of their empty shell and ostentation. Every participant in the Great Patriotic War (and today there are, in all, approximately 5.6 million of them in the country), every family of the servicemen who died for the motherland, and everyone who made a contribution to the common victory must see, sense, and feel that he really has not been forgotten, that people know of him and remember him, that they respect and honor him, that they are concerned about him.

It is our common task to pay the last honors to all who fell on the battlefield, to conduct burials, and to establish the places of death and the names of all who died for the motherland. Obviously, what is needed to carry out this work is official state structures capable of organizing the activities of enthusiasts and putting them on a solid basis.

The role of the mass media in covering problems connected with the 50th anniversaries of dates in the last war can hardly be overestimated. The military press has joined in this work. The Ministry of Defense has planned joint measures with the USSR State Committee for the Press, the All-Union State Television and Radio Broadcasting Company, the All-Union Council of War and Labor Veterans, and creative unions.

Systematic work on creating the Book of Memory and the 10-volume work "The Soviet People's Great Patriotic War" is continuing.

The "All-Union Memory Watch-91" has been held on the territory of 10 oblasts with the participation of troops of the Moscow, Leningrad, and Odessa Military Districts and the Black Sea Fleet. Subbotniks and voskresniks [unpaid working on Saturdays and Sundays] were held in the country 15 and 16 June to construct and tidy up memorial complexes and mass graves and cemeteries of Soviet servicemen who died in the fighting for the motherland.

Today, the 50th anniversary of the start of the Great Patriotic War, I cannot fail to speak of those who took over the combat banners and heroic traditions from the veterans and who are serving in the Armed Forces today.

They are the sons, grandsons, and even great-grandsons of front-line soldiers. In terms of blood, vocation, and duty they are the heirs to the cause of the motherland's defense. And worthy heirs.

This is borne out by the giving of international assistance to the peoples of Korea, Egypt, Vietnam, Afghanistan, and many other countries. At Chernobyl, near Ufa, in Spitak, and in other regions of catastrophes and natural disasters officers and soldiers augmented military glory and honor. The virgin lands, outer space, the Baykal-Amur Main Railroad, and many other things of which the people are proud preserve within themselves the warmth and concern of soldiers' hands and hearts.

But the chief thing, of course, is the vigilant, highly professional, responsible fulfillment of the obligations of military service.

From day to day, on weekdays and festivals, the Armed Forces stand guard over our common motherland, which is the same for all—the USSR. They are resolving the practical tasks of the military reform, the troop reduction, the withdrawal of troops from abroad onto our country's territory, and the creation of a defensive grouping. They are assimilating the propositions of the defensive doctrine, mastering modern weapons, and

improving their combat training. They are becoming a wall between warring forces in hotspots.

The most important task for the period following 22 June is to raise the authority of the Armed Forces and the prestige of military service to the proper height and to revive nationwide love of the Army, Marshal of the Soviet Union D.T. Yazov pointed out.

The most important of the lessons of the Great Patriotic War, he said, is, in my view, to prevent a repetition of 22 June 1941. The people would not forgive us this. Nor would history forgive it, because the consequences of a new tragedy under modern conditions could prove irremediable.

But the lessons of war are given not only in case of military actions. Today we are negotiating a different obstacle course. And we must not quail before the obstacles. As we did not quail in the war. We must know how to brace ourselves. As we knew how to brace ourselves in the war. And we must know how to show the will to win. As we knew how to show it in the war.

In conclusion the USSR defense minister conveyed to the meeting's participants cordial gratitude for their selfless service to the motherland in and out of the military formation and for all that they have done and are doing to strengthen our country's defense capability and wished them good health, happiness, and long years of life.

The meeting was addressed by Marshal of the Soviet Union N.V. Ogarkov, Army General P.N. Lashchenko, Lt. Gen. A.N. Potemkin, retired, Lt. Gen. V.F. Golubev, retired, and others.

An address to servicemen of the Soviet Armed Forces was adopted.

The meeting participants laid wreaths at the tomb of the unknown warrior by the Kremlin wall.

Maksimov, Surkov Address SRF Personnel

*PM2606093991 Moscow KRASNAYA ZVEZDA
in Russian 22 Jun 91 First Edition p 5*

[KRASNAYA ZVEZDA correspondent Major A. Dolinin report under the "Direct Line" rubric: "Rally of Strategic Rocket Forces Political Personnel"]

[Text] A rally has been held with the participation of the chiefs of Strategic Rocket Forces [SRF] military-political organs. The report delivered by Colonel General V. Rodin, chief of the Military-Political Directorate and first deputy commander in chief of the Strategic Rocket Forces, analyzed political work in the Rocket Forces at the contemporary stage and defined areas for its further improvement.

The participants in the rally were addressed by Army General Yu. Maksimov, commander in chief of the Strategic Rocket Forces and USSR deputy defense minister; Lieutenant General M. Surkov, member of the CPSU Central Committee Politburo and secretary of the All-Army Party Committee; and Colonel General G. Stefanovskiy, deputy chief of the Main Military-Political Directorate of the USSR Armed Forces.

G. Zyuganov, member of the Politburo and secretary of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Central Committee, took part in the the rally and addressed it.

Baltic Republics**OMON Seizes Vilnius Telephone Exchange 26 Jun***LD2606170691*

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 1615 GMT on 26 June carries a poorly-received live report by correspondent Zenonas Miksys from the Vilnius telephone exchange. He informs listeners: "The independent Lithuanian radio continues broadcasting from the studio of the Supreme Council. At 1630 hours an OMON [special purpose militia detachment] group forced their way into the building of the Vilnius inter-town telephone exchange."

He adds that the people of Lithuania have been addressed by Deputy Chairman of the Supreme Council Ceslovas Stankevicius, and presently the deputies of the Supreme Council have assembled in the hall and are discussing the situation.

Miksys goes on to describe the scene at the Vilnius telephone exchange where many people have gathered and OMON men with automatic weapons are present. People at the building are excited and asking why all this has happened. Miksys is then heard asking somebody whether something might happen tonight, and that person replies that "anything can be expected." Shouts and chanting by the crowd can be heard.

'Black Berets' Occupy Building*LD2606165291 Stockholm Sveriges Radio Network in Swedish 1600 GMT 26 Jun 91*

[Text] We have new reports of high military activity in Lithuania. Elle-Kari Hoejeberg, you know more.

[Hoejeberg] Yes, the Foreign Ministry, the parliament and the People's Front in Riga have now reported that the radio stations in Kaunas, Lithuania, has now also been occupied by Soviet paratroops and troops of the Soviet Interior Ministry, the so-called Black Berets. Earlier this afternoon all telephone connections to Lithuania were broken when the Black Berets took over three telephone exchanges in Vilnius. The Supreme Council in Vilnius has now been summoned for an extra session and people have been called on to gather in strategically important buildings. The Latvian news agency also says there are large troop movements in Lithuania, and very great activity is being reported. The Soviet Ministry of Internal Affairs in Moscow which is responsible for the Black Berets, has denied all knowledge of these attacks. This report came, by the way, at the same time as the Baltic question being on the agenda of the Council of Europe meeting in Helsinki, and it is to be debated there tomorrow.

Hidden Arms Reportedly Collected*LD2606171391 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 26 Jun 91*

[Text] At about 1600 some 20 armed OMON [Special Purpose Militia Detachment] men occupied the republican intercity telephone exchange in Vilnius. International and intercity communications were interrupted, as was the broadcast of the first radio program of independent Lithuania.

At 1850 the OMON men withdrew from the telephone exchange. They explained their intrusion by saying that they had to collect weapons which, allegedly, were kept in ventilation (?shafts) there.

Occupation Lasts Three Hours*NC2606181991 Paris AFP in English 1745 GMT 26 Jun 91*

[Text] Moscow, June 26 (AFP)—Soviet Interior Ministry special forces ended their occupation of the central telephone exchange in the Lithuanian capital Vilnius late Wednesday and telephone links with the Baltic republic were restored, a Lithuanian journalist said.

The journalist told AGENCE FRANCE-PRESSE by telephone from Vilnius that the Soviet Interior Ministry forces left the telephone exchange building shortly before 8:00 P.M. (1700 GMT) after taking it over for more than three hours.

Telephone service was restored as soon as the crack Soviet Interior Ministry forces left the telephone exchange, he said, and Lithuanian radio, which relays its signals through the exchange, resumed broadcasting after an interruption.

The Lithuanian journalist said that the 30 "black berets" who took over the telephone exchange said that they were looking for weapons and claimed to have found a "sort of grenade" inside the building.

Telephone exchange workers described the takeover as a "provocation" and said that the Soviet Interior Ministry forces went straight to the spot where they found the alleged explosive device.

Telephone and telex links with Lithuania were abruptly cut off when the Soviet Interior Ministry forces took over the telephone exchange.

The Lithuanian journalist said that a large number of residents of Vilnius rushed to the parliament building in the Lithuanian capital when they heard of the occupation of the telephone exchange.

Vice President Ceslovas Stankevicius called on Lithuanian deputies and Vilnius municipal employees to go to their offices to try to set up a network to distribute information about the situation to the outside world, he said.

The Lithuanian delegation in Moscow said earlier Wednesday that Soviet Interior Minister Boris Pugo had told Lithuanian Representative Egidijus Bickauskas that he did not order the takeover.

Mr. Bickauskas had tried to reach several Soviet leaders, including Mr. Gorbachev and Vitaliy Doguzhiyev, head of the Soviet delegation to talks with Vilnius, but none had responded personally, a delegation spokesman added.

Mr. Gorbachev's office brushed him off, saying the president was at a "diplomatic reception" and could not be disturbed, he said.

Lithuanian leader Vytautas Landsbergis, during a visit to Paris, called for "the terrorists of the Soviet Interior Ministry" to withdraw from Lithuanian television and radio offices and get out of the republic before any meeting of the Conference on Security and Cooperation in Europe (CSCE) is held in Moscow.

Soviet special forces seized Lithuanian television headquarters in Vilnius on January 12 in an operation backed by armoured vehicles that left 13 people dead.

Mr. Landsbergis made his call after the head of a French parliamentary panel on the Baltics suggested that every CSCE member state symbolically include a Balt in its delegation to a CSCE meeting on humanitarian issues due to be held in Moscow in September.

In recent weeks Soviet forces, who have remained on guard outside the television station, destroyed several customs posts set up since last year by Baltic authorities and considered illegal by Moscow.

The three Baltic republics are among six of the Soviet Union's 15 constituent republics that have declared independence from Moscow.

OMON Version of Incident Cited

*LD2606211291 Moscow TASS International Service
in Russian 2010 GMT 26 Jun 91*

[Text] Vilnius, 26 June (TASS)—Correspondent Serafim Bykhun: "Information which reached us about the illegal storage of weapons and ammunitions there were grounds for an inspection of the building of the Vilnius international telephone exchange," a TASS correspondent was told by a spokesman of the Lithuanian detachment of the special-purpose militia [OMON] of the USSR Ministry of Internal Affairs.

During the course of the inspection, he said, explosive substances, rifle ammunition, and Bickford safety fuses were discovered and confiscated.

The OMON spokesman noted that during the inspection, a "group of aggressively-minded people trying to provoke the members of the OMON to use their weapons" gathered outside the exchange building. It was his opinion that the uproar raised by the press around this operation was also of a provocative nature.

OMON Leader Explains Attack

*LD2606214791 Vilnius Radio Vilnius Network
in Belorussian 1921 GMT 26 Jun 91*

[Text] Today at (?1630) a group of approximately 20 armed OMON [special purpose militia detachment] servicemen [word indistinct] the republican and international telephone exchange. All employees were ordered to stay at their places and not to move. In several minutes the connection with all towns of Lithuania, the Soviet Union, and foreign countries was cut off. The broadcast of programs on Independent Lithuania Radio stopped. One of the OMON servicemen [word indistinct] as follows: We have come to carry out USSR Defense Minister Yazov's order on the possession of weapons and Internal Affairs Minister Pugo's order on guarding facilities of the municipal economy. OMON leader Boleslav Makutinovicus said that his detachment acted in accordance with information received from the Lithuanian Soviet Socialist Republic Procurator's Office on the presence of weapons at the exchange, and that a pistol, cartridges, and explosives were found at the exchange.

When journalists asked for those weapons to be displayed, Makutinovicus said they have already been taken away. [passage indistinct] At 1840 the OMON servicemen left the telephone exchange building.

Deputy Premier Reports Attack to Pugo

*LD2606205391 Vilnius Radio Vilnius Network
in Lithuanian 1900 GMT 26 Jun 91*

[Text] Republican Deputy Prime Minister Zigmas Vaisvila has informed the official on duty at the reception office of Soviet Internal Affairs Minister Boris Pugo [about the attack on the Vilnius telephone exchange] and has demanded that urgent and severe measures be taken. The response was that a meeting of the collegium is currently taking place.

Through the communication lines of other republics Egidijus Bickauskas, permanent representative of the Republic of Lithuania in Moscow, was informed about it. The police general commissar spoke to Division Commander Zhitnikov. The latter dissociated himself from this event, stating he knew nothing about it. The deputy OMON [Special Purpose Militia Detachment] leader Makutinovicus acknowledged in a telephone conversation with the head of the exchange that it was the work of the OMON. Nothing has been [word indistinct] from the military leadership in the northern town. Makutinovicus' deputy, Yermenko, telephoned Vaisvila stating that they were implementing the decree by the Soviet president on the [word indistinct] of illegally held weapons and [words indistinct]

Pugo Asserts Noninvolvement

LD2606190191 Moscow TASS International Service
in Russian 1805 GMT 26 Jun 91

[Text] Moscow, 27 June (TASS)—Today, foreign news agencies, citing Lithuania's permanent mission in Moscow, reported that communications with the Lithuanian capital Vilnius had been broken off because the inter-city telephone exchange had been occupied by a detachment of the special-purpose militia.

Nikolay Medvedev, a deputy of the Lithuanian Supreme Soviet and observer at the USSR Supreme Soviet, told TASS that this information was received from the deputy prime minister of Lithuania, Zigmas Vaisvila. Lithuania's permanent representative in Moscow, Egidijus Bickaukas, contacted Boris Pugo, USSR minister of internal affairs, who reported that he had nothing to do with this action. But later Boris Pugo told the permanent representatives that a group of 20 people from OMON, sanctioned by Antanas Petrauskas, procurator of the Lithuanian Soviet Socialist Republic and appointed by the Union procuracy, had indeed carried out a search of the telephone exchange building.

Citing Pugo, Medvedev reported that "17 rifles were removed," but cast doubt on the authenticity of this fact, asserting that the telephone exchange was not defended by members of the department for the protection of the region and the Lithuanian police.

Presently, Nikolay Medvedev said, telephone communications with Lithuania have been restored.

'No Justification' for Actions

LD2606225591 Vilnius Radio Vilnius in English
2130 GMT 26 Jun 91

[Text] At about 4:50 pm today a 20-strong group of the special purpose Soviet militia squad, popularly known as the Black Berets, broke into the Vilnius telephone exchange cutting off telephones, fax and (?telefax) connections with other Lithuanian towns as well as with foreign countries.

Concurrently radio broadcasts of the independent Republic of Lithuania were also interrupted from the temporary premises in which the radio people work after the occupation of the radio and television center in January.

For over two hours the Lithuanian radio was broadcasting only from the studios in the parliament building and from Kaunas, the second largest city of Lithuania.

Within minutes after the seizure of the telephone exchange the Lithuanian Deputy Premier Zigmas Vaisvila informed the office of the Soviet interior minister about the event and demanded that urgent and strict measures be taken to prevent such raids.

Through other channels of communications the Lithuanian authorities managed to inform the permanent

Lithuanian representative in Moscow, Mr. Egidijus Bickauskas, about the seizure of the telephone exchange.

In his turn Egidijus Bickauskas succeeded in getting in touch over the phone with the Soviet Interior Minister Boris Pugo.

The latter claimed that the Black Berets invaded the building in order to seize weapons, allegedly hidden in the ventilation system of the building.

The commissar general of the Lithuanian police, Petras Liubertas, spoke about the incident with General Vishitnikov, who is the commander of the Vilnius-based Soviet interior troops division.

The general asserted he knew nothing about the takeover of the telephone exchange.

Meanwhile, an officer of the Black Berets made a telephone call to Deputy Premier Zigmas Vaisvila and said the raid had been launched by way of carrying out the decree of the Soviet president with the aim of searching the building for hidden weapons.

Some time later the commanding officer of the Black Beret unit, Boris (?Lamakutinovich), confirmed to the Lithuanian radio that the special purpose militia squad was acting by the order of the Soviet interior and defense ministers.

Some 30 minutes after the seizure of the building Deputy Chairman of the Lithuanian Parliament Ceslovas Stankevicius, made a radio address from the studio in parliament, calling upon the MPs [members of parliament] to immediately gather in the parliament building.

He urged the population of Lithuania to use any means available to inform the world about the new threat looming over Lithuania.

I call upon all those who hear us abroad and understand Lithuanian, he said, please send a message of danger to other countries so that the world might have information about the dangerous situation in Lithuania.

At 6:50 pm, some two hours after the seizure of the telephone exchange, the Black Beret squad—20 (?shock) troopers—left the building. One of their seniors declared to the Lithuanian radio that in the building they had found explosives, ammunition, and a disjointed [as heard] pistol.

Later in its main news program "Vremya" the Soviet Television also spoke of explosives allegedly found in the Vilnius telephone exchange building. The "Vremya" program also claimed that the raid of the Black Berets had not been agreed with the Soviet Interior Ministry.

A Moscow representative was said to have been sent to Vilnius to investigate into the circumstances of the incident.

A few Soviet Army officers tried to collect information on the site of the incident. True, they came too late, after the Black Berets had already left the telephone exchange.

The Soviet Army officers asserted they had nothing to do with the takeover, but there are reports saying that regular Army soldiers were seen in camouflage uniforms acting together with the Black Berets.

Later tonight Deputy Chairman of the Lithuanian Parliament Ceslovas Stankevicius, made a television address to the nation in which he defined the raid on the telephone exchange in Vilnius as an act confirming that the Soviet leadership was pursuing with regard to Lithuania the same Stalinist policies as in 1940.

Ceslovas Stankevicius appealed to the world parliaments and governments asking them to exert more pressure on the Soviet Union and to stop its acts of violence against the Republic of Lithuania and its citizens.

At a press conference given tonight Prime Minister Gediminas Vagnorius said that there could be no justification to such actions by the Black Berets. He said such raids were not useful either to Lithuania or to the Soviet Union likewise.

The prime minister doubted the plausibility of the version that the assaulters acted independently of Moscow because it was from high Moscow officials that the Lithuanian Government first learned about the withdrawal of the Black Berets from the occupied telephone exchange and only then was the information confirmed by the Lithuanian Ministry of Telecommunications.

The press bureau of the Lithuanian Government made a statement saying that today's provocation was yet another attempt by the conservative forces at escalating tension and stamping out democratic processes in Lithuania and the Soviet Union.

At 7:30 pm the Lithuanian Radio renewed broadcasting from the temporary premises, but Radio Vilnius journalists managed to make the first trunk call only at 9:30 pm. Almost three hours were needed to restore the interrupted communication lines with other cities.

Incident Called Far-Reaching Provocation

*LD2606221591 Moscow Radio Rossi Network
in Russian 2050 GMT 26 Jun 91*

[Text] In Vilnius today, an armed OMON [special purpose militia detachment] detachment seized the republican telephone exchange. Communications both within Lithuania and with other republics and foreign countries were completely severed. Transmissions of Radio Independent Lithuania were suspended for several hours.

According to our freelance correspondent Svetlana Premudrova, the OMON troops have already left the exchange, explaining that they had been carrying out an operation to seize weapons. The real reasons are not yet known, however. They are still being clarified.

According to the Russian Information Agency, a senior spokesman for the Russian Government who asked not to be named described the actions of the Vilnius OMON as a provocation with far-reaching goals. According to him, the action has deliberately been taken on the eve of President Mikhail Gorbachev's working meeting in London with the Seven and just prior to Boris Yeltsin's inauguration as president of Russia. He also believes that those who are behind the OMON troops in Vilnius want to provoke the Russian leadership into making hardline statements against the center in order, on the one hand, to be able to accuse Boris Yeltsin of ignoring the interests of the Russophone population, and, on the other, to set Yeltsin and Gorbachev at loggerheads.

Colonel Alksnis, the USSR Supreme Soviet deputy, confirmed the report of the OMON seizure of the Vilnius telephone and telegraph. He did not have any details at hand, and seemed surprised by the news. In conversation with journalists, he said that the event did not come as a surprise to him and that it was to be expected.

Stankevicius Comments

*LD2606202991 Vilnius Radio Vilnius Network
in Lithuanian 1752 GMT 26 Jun 91*

[Text] We already informed you that today the telephone and telegraph center in Vilnius was occupied for two hours by the Special Purpose Militia Detachment [OMON] soldiers and that telephone and radio communications were interrupted. Today, in connection with the incident at the telephone and telegraph center, a meeting of deputies took place at the Supreme Council. Information by Communications Minister Kostas Birulis was listened to; Gedelis, deputy general director of the Security Department, and Petras Liubertas, deputy minister of internal affairs and general police commissar spoke at the meeting.

You, listeners, were addressed on the radio by Ceslovas Stankevicius, deputy chairman of the Supreme Council; Kazimieras Motieka, deputy chairman of the Supreme Council; and Virgilijus Cepaitis, chairman of the standing commission.

Now that the deputies' meeting has ended, Ceslovas Stankevicius, deputy chairman of the Supreme Council, is in our studio.

[Stankevicius] Esteemed people of Lithuania, the Supreme Council deputies had a meeting in the Supreme Council to discuss the situation and listen to exhaustive information by government representatives. Now we are able to review in detail and more specifically everything that happened and draw some conclusions about this event.

As you know, the central telephone exchange was occupied for about two hours. The captors were armed with machine-guns and automatic weapons. They surrounded the exchange, raged inside it, terrorized women telephone operators and other officials, threatened them

with weapons, and pointed weapons at men and women who were working there and acted wilfully in the exchange itself. They switched off the power supply to the equipment and thus interrupted all communications in Lithuania. International communications were interrupted not to mention intercity links. Transit communications through the territory of Lithuania were interrupted, too. Communications with radio stations were interrupted and Lithuanian Radio could not operate normally for some time. By the way, it is operating on an abnormal schedule anyway because permanent radio relay communications were seized, as were the buildings, a few months ago, and this occupation is continuing.

What is very important is that the telemechanical control link with the nuclear power station in Ignalina was interrupted.

Such an attack on Lithuania's communications is very dangerous and threatening. The scale of this threat can be imagined by everyone bearing in mind the significance of the interruption of communications.

I wish to say that the leadership of the Lithuanian parliament and the deputies [passage indistinct]. Of course, damage has been caused [passage indistinct] of course, the leaders of the Internal Troops with whom the government representatives established communications until it was possible to do this, a part of the conversation took place indirectly, through Latvia, through Riga, because direct communications with Moscow were interrupted. They, as usual, as you might expect, replied that they knew nothing and had not given orders. [passage indistinct]

I can state with conviction that such operations are not accidental. [passage indistinct] This action was planned and in the USSR such actions are not carried out freely. Maybe it is more convenient for the officials of the Soviet Armed Forces and the Ministry of Internal Affairs to display ignorance because this way they avoid unpleasant questions; what all this means and how it can be reconciled with the USSR's official declarations. [passage indistinct]

It should be noted, as we were told by officials, that soldiers wearing regular army uniform were among the OMON men who arrived at the OMON base. Thus it is impossible to separate the OMON from military structures, so the action was coordinated and joint.

What preliminary conclusions can be drawn from this action? Of course, one searches for analogies, and such analogies have happened, and the Soviet Union's tactics in many respects are repeated and standard, some standards have not changed since 1940.

Presently the Lithuanian Government and the parliamentary leadership are receiving ultimatums from the Soviet Government, deputy prime minister and other officials and their claims about the alleged rights of USSR citizens [break in transmission] the defender of the rights when at the same time its structures crudely

violate these rights. There was an encroachment on the freedom, security and life of people working at the exchange. This is the crudest violation of rights, but, of course, these claims about the rights of the Soviet citizens were not linked with this action directly. However, these accusations and claims regarding Lithuania have become more active.

Let us remember that every attack is usually covered with some [words indistinct] some reason. Presently two or more versions can be heard from the attackers themselves and, it seems, they did not know which version would be successful. For instance, the first version was dissatisfaction with telephone communications, then [passage indistinct] were called weapons or something like that, purely absurd version. I think it is difficult to imagine that Lithuania's telephone operators would bring explosives into their exchange and do something there.

What is the real reason? I think, it is an analogy with events in Czechoslovakia, when Soviet citizens who helped Czechoslovak Communists at that time, were rendering fraternal assistance, also started finding weapons in various places, and the second, a more serious reason, [passage indistinct]. I think that it was a rehearsal for the seizure of Lithuania's communications and their interruption during a possible military coup or open occupation. I think that this seizure was aimed at finding out how Lithuania would react to the complete disruption of all communications and how fast this operation could be carried out. So I think that the threat has not passed, that the threat of open aggression, of removing the state Government in Lithuania exists, and this provocation and action is dangerous in this respect.

What can we say now? The direct attack ended, it lasted about two hours, the danger to the exchange has passed, the minister of communications and experts have stated that intercity communications are being restored. [passage indistinct] People in Lithuania may experience great difficulties in phoning other cities but communications are being restored, the bandits withdrew to their base after the attack. However, we cannot say that the danger has passed. We do not know their plans and must not lower our vigilance.

Therefore I would like, first of all, to thank the local government deputies who have assembled in their councils and were prepared to guard their buildings and ensure the functioning of communications, and also I would like to thank the communication workers who were prepared to work in uncertain conditions.

Now, when telephone communications and the Lithuanian radio and television are operating, I think that not all deputies in local government and in the Supreme Council should mount vigil but I would like to recommend that some of them take part in the vigil and, in case of danger, inform either the government or the police, or the Supreme Council where people are in duty all the time.

The telephone number of the information service at the Supreme Council is 62-84-23.

I thank all the people of Lithuania who took defensive actions once again. I thank all for restraint, for [words indistinct].

Bickauskas Comments

OW 2706030491 Moscow BALTFAX in English
1800 GMT 26 Jun 91

[Following item transmitted via KYODO]

[Text] Mr. Egidijus Bickauskas, Lithuania's permanent representative in Moscow, has told a group of journalists that according to some reports, the special purpose police (OMON) have cleared out of the central telephone exchange in the republic's capital Vilnius, which they had occupied earlier on Wednesday.

Mr. Bickauskas said he had been able to communicate with First Deputy Interior Minister of the USSR Boris Gromov, who claimed that the action had been undertaken by the Vilnius OMON unit and had been sanctioned by the Procurator of the Lithuanian SSR [Soviet Socialist Republic] Antanas Petrauskas (two Procurator's Offices now exist in Lithuania one reporting to central authorities in Moscow, the other responsible to the republic's parliament). The aim of the operation was to "confiscate arms kept in the telephone exchange". According to Mr. Gromov, 17 rifles were discovered in the building.

Mr. Bickauskas said he had doubts whether the role of Petrauskas was at all constitutional since "he was acting unconstitutionally from the point of view of Soviet legislation".

"The line taken by the President of the USSR and Soviet leadership effectively encourages the OMON police to stage provocations, but Lithuania has made its choice for peacefully attaining independence and is not going to escalate this conflict into armed confrontation", Mr. Bickauskas said. He voiced the opinion that President Gorbachev "has to make known his attitude to OMON's actions in Lithuania in an open and unequivocal manner".

"When western countries fail to react or react too cautiously to developments in Lithuania, they also effectively encourage the opponents of the republic's independence to engage in new provocations. They must understand that the conflict in Lithuania may cause far-reaching repercussions not only in the Soviet Union, but also throughout the world", Lithuania's permanent representative in Moscow emphasized.

Vilnius Exchange Chief Comments

LD2606232891 Vilnius Radio Vilnius International
Service in Lithuanian 2100 GMT 26 Jun 91

[Text] Jonas Jaqminas, director general of the Central Telephone and Telegraph, has described in detail to Lithuanian radio the actions of the stormtroopers during the attack on the telephone exchange.

He said that at 1630 a female official reported to him about the attack, shouting that Black Berets were shooting and forcing their way into the building. Having hurried to the entrance, Jonas Jaqminas encountered a lieutenant who did not introduce himself and 20 Black Berets. They stated that in fulfillment of the decree by the Soviet president they were searching for weapons.

Although the director general assured them that there have never been and are no weapons, the stormtroopers took him to the cellar where the ventilation and electrical equipment is situated. Before going to the cellar Jonas Jaqminas asked them to close the door to the switchboard and to the operation halls so that the workers could continue their work. But it became obvious that at that time the Black Berets were already present in the switchboard hall, and telephone operators were removed from their workplaces. I demanded that the workers be allowed to continue their work, because otherwise they were interrupting communications with the whole world. They started threatening that they would handcuff me and take me away, Jonas Jaqminas said.

Then he told how the OMON [Special Purpose Militia Detachment] soldiers were looking for and allegedly finding weapons. A soldier approached the officer and whispered something to him. Two stormtroopers and two exchange officials were already standing in the cellar. They were removing from a sack cartridges and something wrapped in paper. They said that these were explosives. One [word indistinct] was filming everything.

Of course, this was a fabrication. Either these were items brought by them into the building, or they were placed by some of our officials sympathizing with them, the director general noted.

Then he said that the stormtroopers, having found one door locked, demanded that it be unlocked and, if the key was not found, they threatened to blow it up with a grenade. The door was unlocked and the Black Berets found no weapons.

After they finished the search, their leader, Boleslovas Makutinovicus, arrived. He ordered that all telephone connections be disconnected.

Doguzhiyev Cables Landsbergis on Discrimination

*LD2606174591 Vilnius Radio Vilnius Network
in Russian 1200 GMT 26 Jun 91*

[“Text” of telegram from Vitaliy Doguzhiyev, USSR first deputy prime minister, to Vytautas Landsbergis, chairman of the Lithuanian Supreme Council, date not given—read by announcer]

[Text] The USSR Council of Ministers and the Central governmental organs have received numerous complaints from the citizens of the Soviet Union residing on the territory of Lithuania in connection with the fact that privatization which is currently being implemented is only being carried out in the interests of those people who have Lithuanian citizenship. This is a crude violation of the principle of equal rights of citizens which has been enshrined both in the Constitution and the [word indistinct] norms of international law. The evident and undisguised compulsion of citizens to adopt Lithuanian citizenship, discrimination of the population on political grounds, all these acts by Lithuania run counter to the very principle of the negotiating process which demands that during the period of negotiations people should restrain from actions which could harm one another and fail to promote the growth of trust, which the Lithuanian side constantly reports.

In connection with this the USSR delegation draws attention to the fact that acts discriminating against the rights of the citizens of the USSR are inadmissible and believes that the decisions ensuring equal rights of all citizens living on the territory of Lithuania will be made by the Lithuanian side.

Lithuania Says Soviet Damage at 79 Million Rubles

*OW2606031291 Moscow BALTFAX in English
1500 GMT 25 Jun 91*

[Following item transmitted via KYODO]

[Text] The Lithuanian Statistics Department has provided new data on the damage to Lithuania's economy and people caused by the Soviet Army from January through May 1991.

The total damage is an estimated 79 million rubles. Of this sum robbed and destroyed property makes up 69.5 million rubles, output which failed to be produced—5.2 million, profits which failed to be received—1.6 million and 0.6 million rubles were paid as compensations to persons forced to stay unemployed for valid reasons.

Soviet Official on Discrimination in Lithuania

*OW2706074791 Moscow BALTFAX in English
1300 GMT 26 Jun 91*

[Following item transmitted via KYODO]

[Text] The chairman of the Lithuanian parliament, Vytautas Landsbergis, had a telegram last Tuesday from Soviet Vice-Premier Vitaliy Doguzhiyev.

The telegram says that the USSR Cabinet of Ministers and some central government bodies have been receiving numerous letters from Soviet citizens living in Lithuania to the effect that the privatisation campaign which is nowadays being conducted in the Republic only serves the interests of citizens of Lithuania. “This is a gross violation of the generally recognised principles of equality formalised in international law. The essence of this is an undisguised attempt to force Soviet citizens to take Lithuanian citizenship, and political discrimination of the population,” the telegram goes on.

The head of the Soviet delegation at the Soviet Lithuanian negotiations adds that this policy “runs contrary to the very basic principle underlying the negotiations and does not help increase the trust which the Lithuanian side has constantly been speaking about”.

The head of the law department of Lithuania's Supreme Council, Juozas Zilis, has told a BF [BALTFAX] correspondent that all the problems mentioned in the telegram have by now been solved.

On June 17, the Lithuanian Government issued a decree On the Right to Receive Lump Sum Allowances and Special Indemnities from the State and on the Right to Purchase Establishments Being Privatised (Shares). In accordance with the decree, these rights are to be granted to anyone who has lived in the Republic since November 3, 1989.

“Mr Doguzhiyev's information is out of date. He knows nothing about the latest decisions of the Lithuanian Government,” said Zilis.

Lithuanian Official Views Emergency Mechanism

*OW2506052091 Moscow BALTFAX in English
1800 GMT 24 Jun 91*

[Following item transmitted via KYODO]

[Text] Lithuanian Deputy Foreign Minister Voldemaras Katkus has said in an interview with BF [BALTFAX] that he evaluates the emergency mechanism as a “measure for Lithuania's political protection”.

It is known that an agreement on such a mechanism was reached in Berlin during the meeting of the Conference on Security and Cooperation in Europe (CSCE) in case events take a dangerous turn in any member-country of the Helsinki process.

Another vital point of “Lithuania's political protection” named by the Lithuanian Deputy Foreign Minister is setting up special fact finding missions to be sent to any state for assessing the situation.

V. Katkus said that “in a critical moment Lithuania will resort to the emergency mechanism and that the Soviet

Union is aware of the fact". He thinks that at such a moment "there will always be 12 nations ready to enact the emergency mechanism". In that light he mentioned a group of support of the Baltic countries including official representatives of 12 Helsinki process member countries. Voldemaras Katkus confirmed the intention by the Baltic countries, including Lithuania, to seek an observer status at the CSCE.

OMON Demolishes Riga Train Station Post

LD2606190891 Hamburg DPA in German 1843 GMT
26 Jun 91

[Text] Riga/Moscow (DPA)—Today OMON [Special Purpose Militia Detachments] troops took more action in the Latvian capital of Riga. A dozen armed soldiers stormed the customs post at the main train station. Soldiers demolished the building and cut its telephone links, a Riga report said.

The troops were later withdrawn. No one was injured in the action.

Railway Station Vacated

OW2706025891 Moscow BALTFAX in English
1800 GMT 26 Jun 91

[Following item transmitted via KYODO]

[Text] A BF [BALTFAX] correspondent reports that Riga's special purpose police [OMON] have cleared out of the customs check-point at the city's central railway station which they seized earlier today. According to some data, this sortie was led by the police force's chief Cheslav Mlynnik.

Latvia Protests to Lithuania on Illegal Company

OW2606042791 Moscow BALTFAX in English
0930 GMT 25 Jun 91

[Following item transmitted via KYODO]

[Text] On June 24 charge d'affairs of the Latvian Republic Albert Sarkanis sent a protest note to the Lithuanian Foreign Ministry.

The note says that Latvia does not understand position of the article published a few days ago in the Lithuanian newspaper "Lietuvos Aidas" which called the Latvian firm "Rigonda" "a Soviet, illegal company operating not in the interest of Lithuania" and its leaders "party organizers, commissars and market hooligans". The Lithuanian Department of State Control has closed for some time "Rigonda's" account in the Lithuanian bank.

The note points out that the firm was registered officially and in time and sells radio and audio-visual equipment at prices lower than market ones.

According to deputy director of the firm based in Riga Janis Mayor, "because of such policy Lithuanian citizens received 2,000 colour TV sets less."

At the same time, the independent Lithuanian newspaper "RESPUBLIKA" says the reason of such policy is Lithuanian authorities' willingness to distribute everything themselves.

This Latvian note of protest is the first in the history of relations between Lithuanian and Latvia since the beginning of independence movement.

Riga Hosts Human Rights, Democracy Conference

PM2606133591 Moscow IZVESTIYA in Russian
24 Jun 91 Union Edition p 2

[Correspondent I. Litvinova report: "In Defense of Human Rights"]

[Text] Riga—A conference of Latvian, Lithuanian, and Estonian Supreme Soviet and local soviet deputies advocating the defense of human rights and the development of democracy in the Baltic region has been held in Riga.

The conference adopted a decision to convene an assembly of people's deputies from the Baltic republics in August this year. Draft documents have been prepared which which will be presented for discussion by the assembly.

As Latvian Supreme Soviet Deputy J. Drobot said, it is planned to set up a deputies' council at the assembly. It will coordinate the work of Latvian, Lithuanian, and Estonian Supreme Soviet and local soviet deputies in the defense of the political, economic, and social rights of voters, ensure collaboration with USSR and Union republic state organs, and also forge links and expand contacts with other organizations, including international ones, on questions of human rights and the rights of ethnic minorities.

Estonia Introduces Free Market Prices for Food

PM2606103591 Moscow IZVESTIYA in Russian
25 Jun 91 Union Edition p 2

[Report by Leonid Levitskiy: "And All Around Is a Bazaar"]

[Text] Tallinn—Estonia is bidding farewell to state prices. By a government decision as of 1 July all food products will be sold at their freely formed cost, that is at market cost.

The authorities retain the right to restrict only the prices for bread and milk. In fact as of 1 July state orders for agricultural produce are also repealed.

The repeal last year of subsidies for the production of milk and meat, potatoes and vegetables, and grain and the corresponding increase in retail prices—all this has essentially given the peasants nothing. The state is still buying output from them at low prices but is selling at very high prices everything that is necessary for agricultural production.

In addition the government has reduced deliveries of meat and milk to the Union fund. In return the government has received far less mixed feed than in previous years. Livestock raising has remained without feed.

The peasants' dissatisfaction has developed into a protest. They have demanded the government's resignation. In this acute situation the Cabinet of Ministers has decided to make purchase prices for agricultural output free. This promises the population a drastic surge in retail prices. But will there be more milk and meat?

So far one thing is clear: Neither the peasants nor trade nor the processing workers are ready for market relations, there is no mechanism for compensating for the drastically increasing prices. People working at enterprises and organizations of Union subordination will be worst off of all. Their wages are set by Union standards yet they must live with republican prices.

Hudson Project in Baltic Republics Progressing

*OW2506050791 Moscow BALTFAX in English
0930 GMT 24 Jun 91*

[Following item transmitted via KYODO]

[Text] The work on the Hudson Project continues in accordance with the agreement signed by the prime ministers of Estonia, Latvia and Lithuania last August.

The aim of the project is to develop a concept for the economic development of the Baltic republics. The task is being handled jointly by experts from the Baltic republics and from the Hudson Institution of the USA. In the period between June 2 and 30, thirty-three American experts, representing nine work groups, are working in Estonia, Latvia and Lithuania, collecting material for their first report on the project.

At the beginning of 1992, a conference is going to be held in Dallas, USA, to discuss the results of the first stage of the project. It is expected that the work will be finished by the end of 1992.

The Estonian newspaper *ARIPAEV* estimates the cost of the project as 500,000 U.S. dollars.

Some time ago, a similar project was developed by Hudson experts in Hungary, it was called the Blue Ribbon Project and became part of the general concept for the development of the Hungarian economy.

Baltic Republics Prepare Symbolic Act of Unity

*LD2606191491 Moscow TASS in English 1838 GMT
26 Jun 91*

[By TASS correspondent Galina Kuchina]

[Text] Riga June 26 TASS—On August 23, this year, the Soviet Baltic republics prepare for an action to remind people of the signing of the Ribbentrop-Molotov Pact that day 52 years ago.

A decision to this effect was taken here today at a joint meeting of representatives of the popular fronts of Latvia, Estonia and the Lithuanian Sajudis movement.

The action has been dubbed "the flaming road of the Baltics." A fire will be lit near television tower in Vilnius—the site of tragic developments in January this year—on August 23.

The "flaming road" will be a chain of fires stretching from the capital of Lithuania via Riga to Tallinn. "This will symbolise the unity of the Baltic states' aspirations for independence and also testify to the fact that the consequences of the pact have not been eliminated up to this date," Latvian Popular Front Chairman Romualdas Razukas told TASS.

The meeting decided to convene a regular, third, "Baltic assembly" in Lithuania at the end of September and the beginning of October. It was also decided to participate in a forum of the popular movements of six republics—three Baltic republics, Georgia, Armenia and Moldavia. The forum will take place in Tbilisi from July 1 to 3.

RSFSR

26 Jun Supreme Soviet Proceedings Reported

LD2606200591

[Editorial Report] Moscow Russian Television Network in Russian at 1845 GMT on 26 June carries a 45-minute program of recorded highlights of the Russian Soviet Federated Socialist Republic, RSFSR, Supreme Soviet session in Moscow on 26 June.

Khasbulatov opens the session, and offers the floor to Vasily Kazakov, who speaks about the results of the Russian presidential election. He reports on the handling of the election, but calls for a clear electoral code in the future, as many people away from home were unable to vote. He complains about media reports which showed ignorance of the facts. Only in two wards was the voting declared invalid. He reads out the results, with turnout figures and Yeltsin's score. He presents his report to Yeltsin.

At 1854 GMT Yeltsin speaks on his U.S. visit, outlining the discussions he held there.

At 1908 GMT Khasbulatov invites questions. One deputy asks what the differences are between the Union and the republic on the Union treaty. Yeltsin says a lot of work has been done at Novo-Ogarevo, but accord has not yet been reached on every article. He lists the areas of difference.

At 1914 GMT The announcer says Yeltsin answered other questions, and that the Supreme Soviet then discussed the agenda for the next congress. The agenda was passed, and parliament then discussed a number of Russian laws. Parliament worked in separate chambers in the evening. The opening speech at the Soviet of

Republic was given by Travkin, who proposed considering the question of confidence in the chairman of the chamber and his deputy. The proposal was rejected. The Soviet of Republic then passed a bill on foreign investment in Russia.

At 1918 GMT the Soviet of Nationalities sitting is shown. Abdulatipov talks about the conditions in which parliament has had to work, and then answers a deputy's question on interethnic tension.

At 1923 GMT Deputy Shakhrai says Abdulatipov is in opposition to most deputies and people in general. Deputy Sevastianov then criticizes attempts to muzzle the chamber's chairman. The chairman's sole function is to run proceedings, so he should not be judged according to his political views. Deputy Molostvov of the human rights committee criticizes persecution of any person for his views, but withholds political confidence from Abdulatipov.

At 1930 GMT the announcer summarizes the debate, and says the requisite number of votes for adoption of Abdulatipov's report was not obtained: voting screen shows 51 for, 44.3 percent of the chamber's membership, but it needed 50 percent plus one vote to be passed.

Investment Bill Endorsed

LD2606184791 Moscow TASS in English 1837 GMT
26 Jun 91

[by TASS parliamentary correspondents Yuriy Kozmin and Andrey Surzhansky]

[Text] The Russian Federation, remaining a member of a renewed union, will establish direct contacts with the United States. This is, according to Russian President Boris Yeltsin, the chief result of his trip to the United States on June 19-21.

Addressing the Russian parliament today, he said the U.S. side adopted this approach to bilateral relations, emphasizing that Mikhail Gorbachev and the Union government remain natural partners for a dialogue on strategic and international issues.

Then the Russian parliament endorsed an agenda for the fifth extraordinary Congress of Russia's People's Deputies. The first item on the agenda will be the swearing-in of the republic's first president and his assumption of office.

In addition, it is planned to elect a new parliament chairman, endorse a Russian federation law on a constitutional court and elect the court staff (the congress is to begin in Moscow on July 10).

On Wednesday the republican parliament considered and endorsed the second reading of the bill on investment activities in the Russian Federation. The bill emphasizes the importance of contract as the basic legal document regulating relationships between subjects of such activities.

Under the bill, no interference of state agencies and officials in the maintenance of contractual relations in excess of their competence is allowed.

The bill also defines the right of legal entities and citizens of the Russian Federation to investments abroad.

Foreign investments in Russia will be determined by a foreign investments bill which is to be discussed at separate meetings of parliamentary chambers.

Unlike the calm discussion of bills during the morning session of parliament, the afternoon session was rather stormy.

The council of nationalities, one of the chambers of parliament, at its meeting heard a report on the work done by its chairman Ramazan Abdulatipov.

The question of such a report had been raised at one of previous meetings of the council. This was prompted by the fact that in December last year Abdulatipov had signed a political statement criticising Russian Parliament leader Boris Yeltsin and, in the opinion of some parliamentarians, still continues to pursue a line that is different from the policy of the parliament president.

After almost a three-hour discussion of the issue involving mutual criticism by supporters of various political groups in parliament, the members of the parliamentary chamber were unable to reach a consensus. They decided to return to the question at one of next meetings of the chamber.

The Russian parliament will continue its work on Thursday.

Yeltsin Discusses U.S. Visit

LD2606214891 Moscow Russian Television Network
in Russian 1854 GMT 26 Jun 91

[Address by Russian Federation President Boris Yeltsin at Russian Federation Supreme Soviet session in Moscow on 26 June—recorded]

[Text] Esteemed people's deputies, first of all I want to thank you for the congratulations, and most important, for the very great amount of work done by members of the Supreme Soviet, all people's deputies, and agents in the period of the election campaign, as a result of which I have now been elected president. Thank you for your congratulations.

I consider it essential to briefly dwell on the results of my visit to the United States, which took place on 19-21 June. The main task was as follows: After the presidential elections to put democratic Russia on the political map of the world, to promote the development of our republic's foreign political contacts, and most important, to convince our partners that Russia is a stabilizing element in world politics.

The visit was a working one in character. During the three days there were meetings with the leaders of both

houses of Congress and speeches and an exchange of views in the Senate and in the House of Representatives. There were substantive conversations with U.S. President Bush, Vice President Quayle, Defense Secretary Cheney, and Commerce Secretary Mosbacher. There was an in-depth exchange of views with the leaders of the U.S. Federal Reserve Bank system and representatives of major corporations. The meeting at the Center for Democracy, where the ceremony of presenting the 1991 international award for democracy took place, was full of contacts with leading politicians and social organizations of various orientations. At the meeting a speech was made by Vice President Quayle.

Meeting with the representatives of the trade unions of various branches of industry and the leaders of AFL-CIO, the largest American trade union organization, was useful. In spite of the intensive program, time was found for contacts with ordinary Americans.

The U.S. side has accepted our approach, the essence of which is that Russia, while remaining a member of the renewed union, will at the same time maintain independent political, economic, and cultural ties with foreign states.

During the talks with Bush, in his statement to the press, and in Vice President Quayle's speech it was clearly stated that the administration will have ties with Russia that will be parallel to the Union. This was probably the most important result of the trip. Leaders of the Congress spoke in even more specific terms. This, undoubtedly, will serve as an example to other countries of the world. At the same time President Bush and members of the administration stressed that President Gorbachev and the central government will remain natural partners in the strategic dialogue, on international issues and on a wide range of other issues.

It is important to note that we did not raise a question of any other approach. From the very beginning we have said clearly that we do not intend to create a situation of confrontation and rivalry between Russia's foreign policy and that of the USSR, and do not intend to force our foreign partners to make such a difficult choice.

In the course of the visit a detailed exchange of opinions took place on those processes going on in Russia in general, and in particular the progress of the work on the Union treaty and the plans for reforming the Russian leadership. This was necessary not only from the point of view of outlining the finer points of our approaches but also to create more beneficial international conditions for Russia's rapid progress toward democracy and market economy. Although in principle the support of the movement in this direction was obvious even before, the United States and other partners of the USSR were seriously worried about whether the course of events in the USSR will disrupt international stability or endanger the positive tendencies in international relations.

Alongside these justified questions we have regrettably discovered that the U.S. side was not sufficiently

informed about events in our country and sometimes did not quite understand their nature. This has convinced all members of our delegation even more on the need for the establishment of an intensive and permanent dialogue.

In the course of the visit, there was resolute support for the introduction of the commonly accepted democratic norms in the Soviet Union and Russia. The evident victory of the platform for deep and radical changes and the demolition of the old system was expressed to us. The fact of holding the first direct presidential elections in Russia was characterized as an event of historic importance. At the same time our explanations of our relations with the USSR president and the central organs in the spheres of defense, foreign policy, and other strategic spheres proved useful.

On the whole, the conviction that Russia has a responsible program of action and that her policy will help to consolidate stability in the world is growing stronger in America.

During the visit there was serious discussion with the U.S. leadership on the subject of interaction by the USSR, Russia, and the West in the course of the implementation of economic reform. This is especially important, because several projects for such interaction are being considered now, both in the West and here. We set out the following, principled approach to the problem: We are in favor of constructive, mutually beneficial interaction with Western countries as we carry out economic reforms, and recognize the usefulness of a certain amount of aid, but we are not begging for alms, and we did not go to the United States to ask for an unspecified amount of money. This was stated right away, at the airport, and then it was also stated to the U.S. leadership. Western aid is not the key condition for the successful introduction of market principles of economic operations. The main part of it depends on us. We, ourselves, have to clearly and consistently implement a realistic program of radical transformations. At the same time, it is necessary to establish a most-favored trading status for foreign investments, excluding any kind of discrimination.

This approach met with understanding from the administration and in Congress, as well as in financial circles, with whom we had a detailed discussion lasting six hours on various subjects, including that one. Incidentally, the Bush administration and the President himself stated that they are now already approaching a solution to the question of declaring most-favored nation status in trade with our country, and accordingly, with Russia. That is why it is especially important now for the Supreme Soviet and its chambers to urgently adopt the law on foreign investments, during the current session. They are keenly awaiting it.

During the talks we marked out specific areas of interaction, which, in our view, should receive attention as a matter of priority. They are, principally, fields capable of yielding rapid results in improving the position of the

people, results which will, at the same time, be crucial in establishing an infrastructure for new economic relations.

We reached agreement with the President on the joint elaboration and implementation of the following programs: on the processing and storage of agricultural produce in Russia; on training and retraining cadres and giving them probationary experience for work in market economy conditions—we talked of a figure of roughly 2,500 people each year; on enlisting American companies to develop Russia's transport system; and on jointly tackling the problems of conversion.

These topics were discussed with President Bush and in detail with Commerce Secretary Mosbacher. President Bush agreed in principle with this way of looking at the matter. It was decided to set up joint working groups to draw up specific proposals. Agreement was reached with Secretary Mosbacher on the creation of a joint group of experts to study specific matters relating to direct economic cooperation between Russia and the United States in areas of importance for us and the Union as a whole.

Agreements were also reached on further contacts with representatives of the U.S. Federal Reserve Bank and leading U.S. financial and business circles. A special group under the chairmanship of the president of the U.S. federal reserve system will be coming here to hold meetings with our financial specialists and to discuss proposals on reforming the credit and banking financial system.

There was a substantive discussion in the Pentagon with Defense Secretary Cheney and his deputies. Matters relating to reducing military expenditure on both sides and insuring public and parliamentary supervision of this expenditure, as well as the problem of the social protection of servicemen, were considered. It was agreed that a delegation of the Defense Department and representatives of American business will come to the USSR to hold meetings on conversion matters with the Russian departments involved.

It is planned in the very near future to discuss in the Supreme Soviet Presidium a plan of action on the results of the visit and to adopt appropriate decisions. Meetings with public figures, representatives of the cultural world and ordinary citizens, which took place at the Soviet Embassy, during the visit to the Lincoln Memorial, and at the Red Cross confirmed the high level of interest and esteem of Americans for Russia and its culture, history, and people and their enormous sympathy for the democratic changes taking place in our country. It is important now to fill out the agreements that were achieved with practical content, with the participation of those of our departments that are involved.

I particularly want to note that during the visit great interest in cooperation with Russia was shown by private business. At the same time we deliberately did not embark on negotiations with them during the trip, since

each such proposal needs to be specially studied by experts, and—what is most important—it must be a matter for Russia's enterprises and entrepreneurs themselves.

During the flight to the United States we made a two-hour stop-over in Canada. At the airport we had a talk with Mrs. McDougall, the foreign minister [as heard]. We talked about the development of business cooperation between Russia and Canada, and I received a message from Canadian Prime Minister Mulroney containing an invitation to pay a visit to that country.

On the whole, Russia is making good progress in its acquisition of skill and experience in foreign policy. With the introduction of the presidency, this aspect of our activity will receive due attention. My view of this issue is as follows:

In the complicated situation that has developed in Russia today, an active foreign policy has to be subordinated to the need to solve Russia's internal problems as swiftly as possible. That is its main purpose today. At the same time, I believe that in the first hundred days of the presidency—beginning from the Congress of People's Deputies, when I shall take the oath—evidently, during those hundred days the most important issues must be the internal problems and issues facing our Russia. Thank you.

Yeltsin Views Draft Union Treaty

LD2606232591 Moscow Russian Television Network
in Russian 1908 GMT 26 Jun 91

[Questions and answers with Russian Federation President Boris Yeltsin on the Russian Federation Supreme Soviet session in Moscow on 26 June—recorded]

[Text] [Unidentified deputy] Excuse me, in connection with your trip to the United States, a minor riot took place here at the USSR Supreme Soviet, about the meeting at Novo-Ogarevo. And it was said that allegedly, some sort of treaty has already been signed by you, between the Union and the republics. What disagreements exist here, and why are these sort of relations arising between the president and the Supreme Soviet? What are the disagreements between us and the Union? We would like to know about this.

[Yeltsin] I think that I have understood the question. I think that the Supreme Soviet will discuss this. Is it not on their agenda today, discussion of the draft Union treaty? The last time it was discussed—I was at all the discussions in the preparatory committee when Gorbachev was in the chair, and a great deal of work really was done. It was discussed article by article, compromises on certain matters and agreements were reached, but all the same, we did not definitively reach agreement on every article, therefore, when it was being referred to the Supreme Soviet for discussion, it was written that clarifications are called for on a number of articles where agreement was not reached.

If I put it bluntly, you were supposed to suddenly discuss it here without my participation, although Ruslan Imranovich was in charge of a working group and knows the situation, he would name five of the principle disagreements which exist at present between all sides. The first thing is article one: Who is a subject of the Union, or a subject of the Union treaty? Here disagreements appeared between our republics, and the Union republics—those which were Union republics—some took this stance, while others were in favor of the Union republics being the founders of the Union, or the former Union republics, while the new republics which are now part of the republic would be subjects of the Union treaty, and would sign the Union treaty—they would be participants in the treaty and would sign the treaty not as a part, but at a lower level than the delegations of the republics of which they form a part, for example there would be a Russian Soviet Federated Socialist Republic delegation, and then in alphabetical order there would be Bashkiria, Buryatia, and so on. [sentence as heard]

This principle was adopted, although certain of our republics—well, I was only aware of Tatarstan, but it seems that Bashkirstan was mentioned in the press yesterday—want to sign as separate subjects of the Union treaty, but this altogether violates the principle on which this treaty is based and indeed this concerns other republics, too.

The following issue is also connected with this question of citizenship. If one considers all those that form the Union, then in our case we have three citizenships—a triple citizenship. There is the citizenship of the republic forming part of Russia, and citizenship of Russia and citizenship of the Union. This, of course, creates a mass of different inconveniences for our citizens.

The third issue is the division of the functions between the center and the republics—in particular Russia. This particularly applies to the question of taxation. We and the Ukraine advocated a single-tier system of taxation, that is the system under which you and I have this been existing this year. We adopted the law on the budget. There we set a stipulated amount for paying out 23.4 billion rubles [R] into the Union budget, and we are transferring the corresponding portion of this amount. We are not debtors.

Regarding the Union treaty, it was proposed by the other republics, including the country's president—and, incidentally, he asked for this be handed on to the Supreme Soviet—that there should nevertheless be a two-tier system, that is the system that we had with the Union center separately taxing all the enterprises and organizations independently of Russia, part of the money flowing to the Union through its own channel and us not knowing how much this sum is. This is how it was before when we transferred R70 billion, but it was not us that did the transferring. This sum was simply taken from us and another portion from the Russian Federation.

We have a difficulty here of course, also over the fact that, if one agrees, say, with this proposal by the country's president and the other republics, we will then have to alter our own law which has already been adopted. In short the members of the Supreme Soviet must have a serious think about whether there should be a two-tier or a single-tier taxation system.

Yeltsin To Be Sworn In At Congress

LD2606103791 Moscow TASS International Service
in Russian 0955 GMT 26 Jun 91

[By TASS parliamentary correspondents Yuriy Kosmin and Andrey Surzhanskiy]

[Text] Moscow, 26 Jun (TASS)—The swearing-in of the president of the Russian Federation, and his investiture will be the main point on the agenda of the Fifth Extraordinary Congress of People's Deputies of Russia. It will begin in Moscow on 10 July. The congress agenda was ratified by the Russian Supreme Soviet today. The swearing-in ceremony relates to the fact that Boris Yeltsin, head of the Russian parliament, was elected first president of the Russian Soviet Federated Socialist Republic [RSFSR] at elections on 12 June. The Russian people's deputies also have to elect a new chairman of the republican Supreme Soviet, ratify the RSFSR law on the Constitutional Court, and elect members of the court.

No Vote on Abdulatipov No-Confidence

LD2606175291 Moscow Russian Television Network
in Russian 1700 GMT 26 Jun 91

[From the "Vesti" newscast]

[Text] The session of the Chamber of Nationalities of Russia's Supreme Soviet has just ended. They heard a report by Ramazan Abdulatipov. The report was rejected, but the issue of no-confidence in Abdulatipov was not put to the vote.

Yeltsin Details Talks With Finland's Koivisto

LD2606100891

[Editorial Report] Moscow Russian Television Network in Russian at 2005 GMT on 25 June, in its regular "Vesti" program, broadcasts a one-minute video report rounding up the visit by Finnish President Mauno Koivisto to the USSR. The report notes Koivisto's meetings with Gorbachev, Pavlov, and Lukyanov, discussing the prospects for trade ties. He also met Yeltsin today, and discussed the same issue, the reporter adds.

Asking how the meeting ended, the unidentified presenter introduces a fragment of Yeltsin speaking to correspondents.

[Yeltsin] "There was discussion both about reorientation and direct ties between Russia and Finland. We agreed that a group—Minister Kozyrev, deputy chairman of the

Russian Council of Ministers, and people from the Supreme Soviet—will visit Helsinki, where they will hold specific talks on the program of our direct ties."

Yeltsin Supports 'Window of Opportunity' Program

OW2706022391 Moscow INTERFAX in English
1800 GMT 26 Jun 91

[Following item transmitted via KYODO]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] President-elect Boris Yeltsin has said Russia is strongly supporting the "Window of Opportunity" program worked out under the supervision of the Soviet economist Grigoriy Yavlinskiy and Prof. Graham Allison of Harvard University, U.S.A. The program's authors described Yeltsin's stand on the program to IF's [INTERFAX's] reporter right after their meeting with the RSFSR leader on Wednesday.

Mr. Yavlinskiy said Mr. Yeltsin appeared to be "well into the program, specifically, its economic aspects."

Mr. Allison said the Russian president had a good idea of the program's goals and ways of achieving them, and was supporting it more actively than President Gorbachev did. The two economists had a meeting with the USSR President yesterday.

According to G. Allison, Gorbachev intends to closely study the text of the program and compare it with other programs while preparing a final version to be submitted to the G7 conference in London.

The U.S. economist said he might visit the capitals of the G7 member countries, where G. Yavlinskiy and he had been invited to describe their program in greater detail.

Silayev Interviewed on Arkhangelsk Conference

LD2606154591

[Editorial Report] Moscow Radio Rossii Network in Russian at 1350 GMT on 26 June carries a four-minute report by radio correspondent Sergey Belyayev on the republican conference "Russian Industry in Transition Toward the Market," which is taking place in Arkhangelsk. The opening was attended by Russian Prime Minister Ivan Stepanovich Silayev, whom Belyayev interviewed.

Belyayev asked him how he would define the main task of this conference, and why have representatives of Russian industry gathered here? Silayev answered: "We have set the task of ensuring that industrialists know about the basic, fundamental approaches in our program, particularly in this most complex and difficult, and not unequivocally understood area—that is the removal of state control and privatization. We want them to know our program, and for them to advise us as to what has to be replaced in this program. But we want

the program to be a common one; not so much our program, but more one of those who have to implement it."

Belyayev outlines the first day of the conference's work, which considered the strategy and tactics of the Russian leadership in the transition toward a market, legislation policy, removal from state control, privatization, anti-monopoly and financial policy, planning, and the support of new economic structures. Belyayev says that the head of the Russian Government, Russian Soviet Federated Socialist Republic ministers and leading economists of the country addressed the conference. He points out that he asked Ivan Stepanovich Silayev for his first impressions of the first day of the conference. Silayev responds: "Good ones. Positive. I think that we have not undertaken this in vain, all the more so since from Moscow, albeit from the lofty house on the embankment... [changes thought] we see far from everything. Some of our convictions—I am generalizing, on the whole—and of those who elaborate programs, and that means us—at times base ourselves on hypothetical suppositions, but not on a thorough knowledge of the state of affairs. So the main value of our working here is that we immerse ourselves in the thick of the real situation, in the concrete situation here. This is the main quality and value of all this."

Belyayev goes on to note that the conference will be in two stages, first, plenary meetings and general local discussions in Arkhangelsk, and then, from 29 June to 1 July, business clubs by interest on the Solovetskiy Islands. He ends this report by saying: "Another characteristic feature of this conference is that it is an entry-by-payment conference. Each of its participants had to contribute a registration fee of 550 rubles. As you can see, even here its market nature shows through. However, the conference organizers were not short of participants."

KRASNAYA ZVEZDA on Political Developments

PM2606111391 Moscow KRSNAYA ZVEZDA
in Russian 22 Jun 91 First Edition p 2

["Seven Days" article by Vyacheslav Lukashevich: "What About the Plight of Others?"]

[Text] I hope the reader will forgive me for writing about the here and now on this day, 22 June, which 50 years ago sounded an explosive alarm in the hearts of the Soviet people, marking the beginning of our tragedy and of our exploit. The echoes of that June dawn arouse in each one of us a sense of infinite gratitude to the soldiers of 1941, call for unity, teach compassion for the next man, make the chest swell with patriotic ardor, and generate faith in a better future. There is no way we can do without that today either.

Two days before the presidential elections in Russia, during a rally in Manezhnaya Square, I heard a desperate cry that was engraved on my memory: "Boris, our tsar! Long live Boris!" But Russia is not what it was in

Godunov's time. It was not their tsar whom the people elected 12 June, Peter the Great's birthday, but their president, which, translated from the Latin, means "one who sits in front" (not in the coachman's seat, of course). But "Boris the Second," or, to use the appellation he was given in a recent Russian Television movie, "leader of all the Russian peoples," has been elected and is now headed for the "White House" on Krasnopresnenskaya, via the White House on Capitol Hill. Evidently, after securing support in the republic, Boris Nikolayevich wants also to obtain transatlantic recognition as soon as possible.

The meeting with the U.S. President has already taken place, on 20 June. On the threshold of it, a correspondent for THE WALL STREET JOURNAL wrote: "At last President Bush will meet officially with the Soviet Union's leading anticommunist, a democratically elected reformer, who has promised to free the economy from state control. But the administration continues to draw up plans for economic aid that will chiefly help the leading Soviet Communist—President Gorbachev...."

Just as the Russian president did not go to the West cap in hand, but only to "tell the Americans about Russia's plans," Boris Nikolayevich was willing to share his feelings about the USSR president. "I like him in many ways," the "leading anticommunist" in Russia said in an interview for ABC. It appears that the "love affair" which began in April in Novo-Ogarevo between Yeltsin and Gorbachev will last some more months yet. I venture to suggest, until the day, paradoxical though it may appear, when, after the signing of the new Union treaty and adoption of the new USSR constitution and new law on elections, the new election campaign begins in the country. Very likely we will again be tossed in the stormy ocean of confrontation. Say what you like, world recognition, which in the past has been a lure for many politicians, is possible only in the highest state post. And there is no guarantee that even the number one democrat will be able to resist the temptation....

But we are looking too far ahead. Time will tell what the Russian people gained and what they lost on 12 June.

KOMSOMOLSKAYA PRAVDA writes that not many politicians in the world can boast of the quantity of votes that were cast in direct elections for Yeltsin, but I would frame the question differently. The 32,229,442 votes "against" Yeltsin constitute the population, including those who are not entitled to vote on grounds of age, of Portugal, Denmark, Finland, and Greece put together. One for the Guinness Book of Records!

At any rate, democrats are celebrating victory at the moment. And on Tuesday, on Moscow television, we saw the "presentation" of the capital's first-ever mayor and deputy mayor. Presumably it was a special day in Gavriil Popov's democratic life, since the former chairman of the Moscow City Soviet appeared before the viewing public in a necktie reminiscent of Lenin's celebrated one. Although, as Muscovites are aware, Gavriil

Kharitonovich "cannot abide" all those tailcoats and neckties, because they are undemocratic. But the usual plain sweater, which has already become as it were de rigueur for the majority of the capital's voters, was definitely ignored on this occasion. There was a reason for this. There was an animated discussion about the mayor's first decree—on free travel for pensioners on general city transport, which comes into effect on 1 July (remember this date, because we will be coming back to it).

This gift to people who have given the best years of their lives is entirely laudable, of course. But the answer to the question put by the uncommonly mild-mannered presenter—where does the money come from?—stunned me, to be honest. Apparently, for nearly a year, we have all, including pensioners, been paying one another for this "free" travel, by the crossover method, so to speak. Remember last summer, when all our tobacco factories "burned out" in a short space of time and the charitable West set about saving Soviet smokers (to prevent them from getting agitated!) with trainloads of cigarettes, they found their way chiefly into the commercial outlets. Then our factories suddenly "revived," but cigarettes were now three or four times dearer (10 packs bought on a coupon is no salvation, as smokers know). So, even then, as it happens, we were paying a year ahead for one another's free travel. No, personally I would prefer to buy a pass for a pensioner myself....

The logic of this is to be seen everywhere in Moscow. In the same way, alas, we are currently paying for the carefree lives of the new millionaires and mafia dealers without getting industrial goods and food from state stores, even at increased prices, and we are giving fabulous sums to heaven knows who. The Rizhskiy Market, which, through the heroic efforts of the deputy mayor, as was said in the television program, has been "dismantled" at last, has spread all over the city and it would appear that the whole of Moscow can now be renamed Rizhskiy Market. What of it? Let us rename Leningrad Saint Petersburg and release it from its straightjacket, and rename Moscow Rizhskiy Market. It has a new ring to it, and, above all, it is modern. See, the need to switch to an economic market vanishes.

Particularly if we get that—what's it called?—privatization. If plants, factories, and apartments, everything that was nonetheless created by the odious socialism, goes under the hammer. What do you do? In their one year of government in Moscow the democrats have so far created nothing that could be sold to a millionaire from a nearby republic or distant capitalist country. Indeed, you can get a great deal for age-old Russian land, you only have to juridically establish a capital district, unite Moscow and the oblast (MIMO [Moscow and Moscow Oblast] island—do you remember, I wrote about it a year ago?). They say that plans already exist for villages in Moscow Oblast filled with cottages, each costing an estimated 300,000 rubles [R]. One can imagine, dear Moscow voters, who will buy them. At any rate, not the majority who recently went to

the polling places. That is, not those and not the children and grandchildren of those who, on the very first day of the war, embarked on the inhumanly difficult and perilous road to distant Victory....

What then will become of the "majority?" Rest assured. On 1 July (the farewell session of the Warsaw Pact Political Consultative Committee will take place on the same date in Prague) the official registration of the unemployed begins in Moscow. (Then we will finally be civilized!) A. Arzamastsev, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] State Committee on Employment of the Population, recently warned that by the end of 1991 there will be around 13 million people in the Russian free labor market. At least 1.3 million people will not find work and will be classified as unemployed.

In an interview for the Italian magazine FAMIGLIA CRISTIANA USSR People's Deputy V. Alksnis paints an even more depressing picture. "According to some economists," he said, "in the next few months industrial production will fall by 50 percent. It will be a total collapse. According to some forecasts, there will be 30 million unemployed in the country, including 1 million in Moscow alone. Since we do not even have unemployment benefit, all these people will be left literally without a crust. It is easy to see the course of events: When hundreds of thousands march onto the streets demanding democracy, there will already be 1 million waiting there, needing not democracy, but a crust of bread...."

I do not like to think that it will happen that way. But, at any rate, many of us will perhaps realize why the country's prime minister today asked parliament for emergency measures, which the democratic press is trying to represent as defiance of the president. Why some of the Russian presidential contenders made strong demands for the separation of economics from politics. Why Alma-Ata is trying to reestablish severed economic links with the republics....

It is time one realized also that blaming the Communist Party for wrecking everything now and in the past will no longer save anyone. Alas, there are many who do not listen to it today. It is no longer in power, so it is time to stop speculating on this. Everything will depend on the new leaders—those who were reelected 10 days ago and those who were elected before, in March 1989.

Certainly, it is very nice riding around on a white horse. But it is very important, absolutely vital to pay for the people's trust not with a nice smile on television, but with a responsible, grim, and democratic appreciation of the plight of others, others' hopelessness, others' poverty, homelessness, dispiritedness. After all, it is the people's grief that stands at our door, as it did 50 years ago. So will we win again?

Western Republics

Moldovan Official Denies Reported OMON Strike

LD2606103491 Moscow TASS International Service
in Russian 0950 GMT 26 Jun 91

[By TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev, 26 Jun (TASS)—Dmitriy Korletyann, chief of a directorate of the Moldovan Ministry of Internal Affairs, has denied reports in local papers about a strike by the Moldovan Special Purpose Militia Detachment [OMON]. "The report on the strike, to put it mildly, does not correspond to reality," he said in an interview with a TASS correspondent.

According to information published in the SOVETSKAYA MOLDOVA paper, the OMON declared a strike, putting forward a number of economic demands. The paper also reported that the staff of the OMON have been "disarmed" and that henceforth no one is being issued with pistols.

According to Dmitriy Korletyanu, OMON employees have told the leadership of the Ministry of Internal Affairs of their difficult working and living conditions. "I think that we can help them and there will be no need for such extreme measures as striking or disarming," said the Moldovan Interior Ministry official.

Moldovan Chief Says Union Treaty Unacceptable

LD2606203191 Moscow Radio Rossi Network
in Russian 1900 GMT 26 Jun 91

[Excerpts] The draft union treaty is currently undergoing lively debate in the republican parliaments. [passage omitted] Mircea Snegur, president of Moldova, in an interview for a RIA correspondent, rejected rumors that the republic is to sign the Union treaty. In his words, nobody from the republican leadership has made any such statements. The Moldovan leader observed that even the latest version of the treaty does not match up to their concept of a community of sovereign states.

Gorbachev, Kravchuk Agree on Meeting With Kohl

LD2606232191 Moscow TASS International Service
in Russian 1720 GMT 26 Jun 91

[By UKRINFORM-TASS correspondents Viktor Demidenko and Aleksandr Litvinov]

[Text] Kiev, 26 Jun—A political game was what some people's deputies called the situation that developed today during the morning plenary session of the Ukrainian Supreme Soviet over the first reading of a package of draft laws on the president of the Ukrainian Soviet Socialist Republic and on presidential elections. Failing to reach agreement, the deputies rejected them and instructed that further work be done on them in commissions. It was also suggested that consideration of these questions be postponed until the fall. An impasse

has arisen. Since the draft laws have not passed their first reading, no account can be taken of the deputies' proposals. In other words, the commissions have nothing to work on. Second, the Supreme Soviet decided the previous day that these laws must be adopted precisely at the present session. After a stormy and sharp debate it was decided to extend the Supreme Soviet's work by another two weeks to reach a constructive decision.

However, at the evening session, on the proposal of many deputies, parliament returned to the discussion of the matter. As a result the package of draft laws on the presidency passed its first reading by a majority of votes.

Also adopted at the session were laws on customs duties and environmental protection, and a decision on devising a mechanism for introducing legal enactments connected with eliminating the consequences of the Chernobyl disaster, and on the progress made on implementing the decisions on these matters adopted by the Ukrainian Government.

At the end of the evening session Ukrainian Supreme Soviet Chairman Leonid Kravchuk answered a deputy's question: Has USSR President Mikhail Gorbachev agreed with him on the time and place of his meeting with FRG Chancellor Helmut Kohl? After replying affirmatively, Leonid Kravchuk also stressed that the Ukraine's all-round links with the FRG have deepened increasingly in recent times. The chancellor's arrival in the Ukrainian capital will promote the development of bilateral contacts, Leonid Kravchuk noted.

Ukrainian Parliament Debates Presidency

OW2706051491 Moscow INTERFAX in English
1630 GMT 26 Jun 91

[Following item transmitted via KYODO]

[Text] The Ukrainian parliament, the Supreme Soviet, on Wednesday discussed three bills, including those on the introduction of the post of president, on presidency and on the presidential elections.

The proposed legislation provides for the republic's president to be elected in direct and secret balloting by the nation.

It is expected that the head of state will be elected for a four or five year tenure of office but not for more than two consecutive terms. The would be candidate must be between 35 and 65 years old.

A number of checks and balances are envisaged to prevent the president to usurp power. He is denied the right to emergency powers, and his decrees can be rescinded by the constitutional court. The president is obliged to make an annual state-of-the-nation address in parliament. However, he cannot dissolve the parliament. In the event of constitutional abuses, a no confidence

motion can be put up for a national referendum. As a result, the president can be deposed or parliament dissolved.

Two of the MPs of the ruling majority in parliament blamed their own faction with blocking the introduction of presidency in the Ukraine, reports IF [INTERFAX] correspondent.

An official for the left-wing opposition, Narodnaya Rada, said his faction was also opposed to the proposed bills but for different reasons. The opposition has no substantial criticism to make on the main provisions of the three bills but it is disgruntled that a Ukrainian citizenship bill was not included into the package.

Caucasus

Azerbaijan Approves Draft Union Treaty

LD2606233491 Moscow TASS International Service
in Russian 1755 GMT 26 Jun 91

[By AZERINFORM-TASS correspondents Ziyadkhan Gasanov and Viktor Shulman]

[Text] Baku, 26 Jun (AZERINFORM-TASS)—The members of the Azerbaijani delegation which is to have sweeping powers to sign the treaty of the union of sovereign states was confirmed at a session of the Supreme Soviet of the Azerbaijan Republic this evening. It includes prominent statesmen and public figures from this Transcaucasian republic.

This was preceded by many hours of article-by-article discussion of the draft Union treaty in the republican parliament. Differing, and at times diametrically opposed views were voiced in the process. Some deputies, for instance, cast doubt on the possibility that Azerbaijan can achieve genuine sovereignty, even as part of a renewed federation. Their opponents—and they were in the majority—believe that, on the contrary, it is only in the context of the Union, with its existing ties and economic space which is in the process of formation, that today's crisis can be overcome and proclaimed sovereignty given real substance.

The draft of this important document was approved as a whole. As was noted at the session, both parliament and the Azerbaijani people pin their hopes on its implementation, believing that this is the most realistic route to the political and economic independence of the republic.

"We hope that our legitimate demands that all of the republic's natural wealth, including the Caspian continental shelf, be declared its national property will be taken into account when the Union treaty is signed," said Telman Orudzhev, first deputy chairman of the Azerbaijani Supreme Soviet, in an interview with the TASS correspondents. "On the other hand, we consider that the Soviet of the Republic which is to be set up and is to be the principal chamber of the country's new parliament, in which all the subjects of the renewed

federation are to be represented equally, should be able to veto decisions of the Soviet of the Union. In our view, the issue of interrepublican relations also remains of no small significance. It is important for the Union treaty to provide for the most severe measures and a strict mechanism for their implementation. They must be directed against republics or states that attempt aggressive actions against another member of the Union."

Ayaz Mutalibov, president of Azerbaijan, took part in the session proceedings.

Azerbaijan To Consider Presidential Elections

LD2506180391 Moscow TASS in English 1223 GMT
25 Jun 91

[By TASS correspondents Ziyadkhan Gasanov and Viktor Shulman]

[Text] Baku June 25 TASS—Specifying the agenda of the parliamentary session to resume on Wednesday, the Presidium of the Azerbaijan Supreme Soviet decided to include the issue of direct presidential elections in this Transcaucasian republic.

The decision was made after the presidium considered a written appeal by Azerbaijan President Ayaz Mutalibov. In the appeal, Mutalibov emphasised the importance of deepening democratic processes in the sovereign republic and the election of its head by general, equal and direct ballot.

Mutalibov, who was elected for the first time by the republican parliament last May, points out in his appeal that he is prepared to participate in the election in the hopes of being elected to this post by a majority of the republic's citizens.

Azerbaijan-Armenia Mediation Prospects Viewed

PM2506154491 Moscow MOSCOW NEWS in English
No. 22, 2-9 Jun 91 p 4

[Mikhail Shevelev article: "Putting Our Stakes on the KGB"]

[Text] Azerbaijan has adopted a clear-cut heavy-handed approach to resolving its conflict with Armenia. Relying on the Soviet armed forces and the Centre's law-enforcement bodies, the Azerbaijanian authorities are determined to carry out the presidential decree on disarming unlawful paramilitary formations. The Armenian leadership sees its neighbour's moves as aggression against Armenians living both in Azerbaijan and in Armenia.

All contacts between the two Republics have been cut off. All attempts to achieve reconciliation or to start negotiations end in failure. However, on May 23 reports started to appear that the Central Committee of the Communist Party and the KGB want to take the initiative in reconciling the conflicting sides.

On May 22, Mikhail Gorbachev had a meeting with delegations from the Communist parties of Azerbaijan and Armenia. The participants in the meeting, expressed their concern over the protracted conflict and pointed out that communists should contribute to its settlement.

In IZVESTIYA, on May 23, deputy chief of the Second Directorate of the KGB, Major-General Shironin, was quoted as saying that the KGB has been trying to bring peace to the Azerbaijanian-Armenian border since April 29. He also said that in those areas where the KGB helped bring about a cease-fire agreement, shooting hasn't been heard for more than two weeks.

What are the chances of reconciliation?

The Communist Party of Azerbaijan is indeed a powerful force in the Republic. The arrival of Soviet troops in the Azerbaijanian capital of Baku in January 1990 has improved the previously discredited position of the communists. Communists enjoy an overwhelming majority in the Supreme Soviet, and President Mutalibov simultaneously holds the post of the First Secretary of the Central Committee. Second Secretary Viktor Polyanichko is in charge of the Republic's Organizing Committee on Nagorno-Karabakh.

Armenian communists are in a completely different situation. Over the past year they've lost what's was left of their former prestige and today they can hardly count on having a say in policy making in the Republic. In elections to the Supreme Soviet they suffered total defeat, which prompted the Supreme Soviet to pass a decision in mid-April on nationalization of party property.

The Central Committee's attempt to make the Azerbaijanian and Armenian communists its partners in searching for a solution to the conflict should rather be viewed as a gesture of help to comrades-in-arms. The communists of the two Republics must be in truly dire straits if they expect that their dialogue will lead to a real improvement in relations between the Republics. Yet a peace-maker's role may further strengthen the Azerbaijanian communists' position, and return to some extent prestige to their Armenian colleagues.

There is still one other peace-maker involved in the Azerbaijanian-Armenian conflict: the KGB. According to the press bureau of the Soviet Interior Ministry, the KGB has been conducting operations on the Armenian-Azerbaijanian border and in Nagorno-Karabakh in full compliance with last year's presidential decree.

Azerbaijan, Iran Developing Direct Economic Links

PM2506163991 Moscow Central Television Vostok
Program and Orbita Networks in Russian 1530 GMT
20 Jun 91

[From the "Vremya" newscast; Report by M. Mamedov and N. Zeynalov]

[Text] [Announcer] Direct economic and cultural links between our country's republics and foreign firms and concerns are developing more and more intensively.

[Mamedov] This is just one of the many enterprises under the Iranian Mustafan Diyambazan [as heard] Foundation, which specializes in the production of consumer goods—its blankets, bedspreads, wallpaper, fake leather goods, and decorative films are exported to dozens of countries, including the Soviet Union. And soon Azerbaijani enterprises will be producing this output using Iranian technology. That is set out in one of the points of the memorandum signed in Tehran by Azerbaijani Prime Minister Gasan Gasanov and Iranian Energy Minister Bijan Zangeneh. Businessmen from all round the world have been drawn to Iran recently by the upsurge in its economy and its large reserves of raw materials. And it is natural that Azerbaijan, which has ties dating back a thousand years and a vast border with this Islamic republic, is also interested in close cooperation. An Azerbaijani Government delegation was received by Iranian President Hashemi-Rafsanjani. The sides noted the successful development of Soviet-Iranian ties and assessed them as being on the rise in all areas.

[Azerbaijani Prime Minister G. Gasanov] The concept behind this agreement is to integrate all forms of service lines. In practice, we are developing an entire integrated mechanism—in the road and road transport system, in the railway and rail transport system, in the air traffic system, in the shipping system, in the telephone system, in the gas pipeline system, and even in the oil pipeline system. This system, as a whole, will produce a solid foundation for the future expansion of economic ties. Many union republics will have an opportunity to make use of these service lines via Azerbaijan and to have extensive contacts with Iran.

Adzharian Supreme Council Election Results Cited

*AU2606095491 Tbilisi Radio Tbilisi Network
in Georgian 0200 GMT 26 Jun 91*

[Text] Here are the results of the elections to the Supreme Council of the Adzharian Autonomous Republic:

The list of voters contained 228,749 names. The number of voters who participated in the elections was 137,817 or 60.2 percent.

The votes were distributed as follows:

The "Adzharia" electoral bloc received 24,992 votes or 19.31 percent;

The Adzharian regional organization belonging to the "Roundtable—Free Georgia" bloc—59,949 votes (47.51 percent);

The Adzharian district organization belonging to the Georgian Independent Communist Party—22,180 (17.57 percent);

The "Economic Restoration" electoral bloc—7,855 (6.19 percent);

The regional organization belonging to the All-Georgian Rustaveli Society—4,375 (3.46 percent);

The Batumi, Kobuleti, Khelvachauri, Keda, Shuakhevi, and Khulo regional organizations belonging to the All-Georgian [Afghan] Peace and Freedom Party—6,835 (5.46 percent).

The elections will have to be repeated in 24 out of the 40 electoral districts and there will have to be a second round of voting in 11 districts.

Deputies to the Supreme Council of the Adzharian Autonomous Republic have been elected in five districts.

Central Asia

Kazakh Parliament Approves Privatization Law

*LD2506160791 Alma-Ata Kazakh Radio Network
in Kazakh 1500 GMT 24 Jun 91*

[Excerpts] [passage omitted] The session of the Kazakh Supreme Soviet continued adopting, article by article, the law on transforming state property of the Kazakh Soviet Socialist Republic [SSR]. In the final version the law was called denationalization and privatization, and was adopted as a whole. [passage omitted]

The Supreme Soviet began its work with a discussion of the draft treaty of the union of sovereign states. Kazakh President Nursultan Nazarbayev gave a speech on this topic. A debate followed. Comrade Nazarbayev replied to questions and commented on some of the deputies speeches.

The Supreme Soviet adopted a resolution which approves the basic provisions of the draft treaty on the union of sovereign states. In order to conclude the treaty an empowered delegation of the Kazakh SSR, to be headed by Nazarbayev, and consisting of Asanbayev, chairman of the Kazakh Supreme Soviet; Fedotova, deputy chairman of the Kazakh Supreme Soviet; Abdulayev, chairman of the republic's State Committee for Economy; Safonov, people's deputy of the USSR; and [Tartayev] people's deputy of the Kazakh SSR. The Supreme Soviet instructed the president and the empowered delegates of the Kazakh SSR, in signing the treaty, to be guided by the remarks and proposals expressed by the people's deputies of the Kazakh SSR during the discussion of the draft. [passage omitted]

Kazakhstan Sets up Free Economic Zones

*LD2406181391 Moscow Radio Moscow World Service
in English 0800 GMT 24 Jun 91*

[Text] The parliament of the Soviet republic of Kazakhstan has decided to set up two free economic zones on its territory. Foreign businessmen are invited to invest in

modernizing and developing the coalmining industry in the region of Karaganda, as well as the mining and processing of manganese in the region of (Kayram Atasu). They will be granted customs duty privileges. The aim of such zones is to promote the transition to a market economy.

Kazakh Free Economic Zones Created

PM2506162991 Moscow PRAVDA in Russian
22 Jun 91 First Edition p 1

[PRAVDA-TASS report: "Kazakhstan Supreme Soviet"]

[Text] The Kazakhstan Supreme Soviet has made the decision to create the Karaganda and Zhayrem-Atasu free economic zones. The new formations offer a real chance to overcome the crisis. The attraction of foreign capital and the flexible use of the region's scientific, technical, and intellectual potential will make it possible to switch to the market more quickly. The response in the republic to the decision to set up the free economic zones has been mixed.

'Vast Mineral Resources' in Uzbek Region

LD2606030791 Moscow TASS in English 0933 GMT
25 Jun 91

[By correspondent Grigoriy Lipshits]

[Text] Tashkent June 25 TASS—The Soviet central Asian Republic of Uzbekistan has vast mineral resources. They will enable it to satisfy growing requirements of key industries and the entire national economy for a long time, according to scientists at the Uzbek Academy of Sciences' Institute of Geology and Geophysics.

They drew this conclusion following extensive research into the earth's crust and processes to form and distribute ore mineral resources in the bowels of the middle Asian region. They used the most sophisticated methods of scientific forecasting and space photography.

Scientists say there are grounds to hope that major deposits of polymetals and copper will be discovered in the entrails of the vast territory between Tashkent, Dzhizak and Karakalpakia (mostly the Kyzyl-Kum Desert). These deposits may also comprise pyrite ores, rare metals, including those that have not previously been produced in the Republic. Scientists are sure that new gold deposits will be uncovered in Uzbekistan.

Tashkent Business Meeting Held

PM2606144991 Moscow IZVESTIYA in Russian
25 Jun 91 Union Edition p 2

[Report by correspondent A. Orlov: "Business Uzbek-Style"]

[Text] Uzbek SSR—Participants in the "Tashkent business meeting" admitted that many of them not only did not know about Uzbekistan but could not even pinpoint it accurately on the geographical map. As for the "business map," the republic was simply a blank spot on it. After all to this day all foreign economic relations were exclusively via the center.

"We are beginning from virtually nothing," Uzbek SSR [Soviet Socialist Republic] president I. Karimov confirmed. "The draft Union Treaty which is being prepared for signing provides for the development of foreign economic and foreign political relations. This is one of the most important conditions with a guarantee of which we will enter the renewed Union as an independent sovereign state."

The present business meeting in Tashkent has brought together representatives of over 300 firms, companies, corporations, and banks from over 50 countries. It is perhaps not even a question of the fact that dozens of businessmen have discovered Uzbekistan for themselves—after all, other people could have come. The main thing is that the republic itself has taken a fundamentally new step on the path toward the market, powerfully reinforcing it with organizational and legal measures. Essentially specially "for the meeting," literally the day before, the republican parliament adopted a number of laws opening the way onto the world market, regulating foreign economic activity, and giving guarantees for foreign investments. The government has confirmed a package of normative acts providing for economic freedom for enterprise and benefits for those who intend to create joint ventures and engage in investment and middleman activity.

A few days ago the "Tashkent" republican universal commodity exchange opened. The first deal—the sale of 5,000 cubic meters of timber—laid the foundation for deals which will become permanent. It is curious that each broker's place here costs 100,000 rubles [R] but at auction over R300,000 was being offered.

The retreat from barter seemed to me something unexpected at the business meeting. For instance, foreign trade specialists consider it disadvantageous to exchange cotton for meat—it is better to sell the valuable raw cotton for currency. And another path—production sharing—is even better for Uzbekistan with its raw material orientation and one-sided development and location of production forces. Thus Taiwanese businessmen suggested first processing cotton at their enterprises, but with the participation of engineers from Uzbekistan and within 18-24 months moving these enterprises to the place of cotton production.

The sovkhoz [state farm] named for Akhunbabayev, Dzhizak Oblast, which now sells sheepskins for a song, has become the partner of a Turkish leather processing firm and intends to construct a plant (splitting the cost down the middle) and training workers and producing

16,000 sheepskin coat within a year. One of the participants in this contract on the Uzbek side, S. Khudoyarov, said to me:

"The meeting with foreign businessmen showed that we are standing under a shower of gold and are too lazy to stretch out our hands. Much which we are simply losing, throwing out, letting go as waste today, could be collected, processed into goods people need, and sold at a profit."

The creation of a joint venture for the construction and operation of four modern hotels in Tashkent, Samarkand, Khiva, and Bukhara was a very major agreement signed at republican level with the Swiss firm Friza Inzhiniring SA [name as transliterated]. Work will be found here for thousands of people, which is very important for Uzbekistan with its surplus of manpower. The firm's director, E. Plyumetta [name as transliterated], asked me not to name the sums involved—it is a commercial secret—but understandably several hundred million Swiss francs will be invested in the implementation of the project.

And in all trade contracts worth a total of \$65.8 million were signed at the business meeting and the total sum of credits for investment was 489.2 million foreign currency rubles. Some 30 joint ventures were instituted with a corporation capital of 376.9 million foreign currency rubles (foreign capital accounts for 183.4 million foreign currency rubles). Talks are continuing on the creation of a further 69 joint ventures.

Taking advantage of the opportunity, Uzbekistan has acknowledged all forms of ownership and seems to have no serious prejudice against private or joint-stock forms. The meeting proved that one more old ideological dogma has been broken: Foreign compatriots have ceased to be seen as "enemies" and "traitors." The businessmen who came to set up business ties with the republic included former citizens of that republic. Great importance is attached to cooperation with them.

Niyazov, Andreotti Meet

*LD2506085291 Moscow TASS International Service
in Russian 1445 GMT 24 Jun 91*

[By TASS correspondent Sergey Startsev]

[Text] Rome, 24 June (TASS) Saparmurat Niyazov, president of the Turkmen Soviet Socialist Republic, who is on a visit here, met today with Giulio Andreotti, chairman of Italy's Council of Ministers. He gave the head of the Italian Government a personal message from USSR President Mikhail Gorbachev.

Questions of developing Italy's multilateral cooperation with the Soviet Union, including its cooperation with individual Union republics of the renewed federation, were discussed during a friendly conversation. Having stressed the deep, historical roots of the ties between Turkmenia and Italy, S. Niyazov dwelt on specific joint

trade and economic projects. The implementation of these projects has already begun.

G. Andreotti gave a high appraisal to the course toward realizing the independence and sovereignty of the Union republics, while retaining the unity of the Union and promised to assist in establishing ties between Turkmenia and Italy. He conveyed his cordial greetings to M. Gorbachev, whom he hopes to meet in London in July this year.

Anatoliy Adamishin, the USSR's ambassador to Italy, was present at the meeting.

President of Turkmenistan Arrives in Italy

*LD2306223391 Moscow Radio Rossti Network
in Russian 1900 GMT 23 Jun 91*

[Text] Niyazov, president of the Turkmen Soviet Socialist Republic, today arrived in Rome on a working visit. During the visit he hopes to reach agreement on the establishment of direct contacts between Turkmenistan and Italy.

New Tajik Leader's Anti-Crisis Program

*LD2506220391 Moscow TASS International Service
in Russian 1727 GMT 25 Jun 91*

[Text] Dushanbe, 25 June. (TASS)—TASS correspondent Galina Gridneva: In Tajikistan today, the new prime minister of this Soviet republic in Central Asia took up his duties. The Supreme Soviet, which had resumed its work, confirmed in this post Izatullo Khayeyev, 55, the former vice president of Tajikistan, whose post was abolished by parliament. Before this, the republic's Cabinet of Ministers had been headed by Kakhar Makhkamov, the president of Tajikistan, who today laid aside his powers as chairman of the Cabinet of Ministers. On the same day, the new prime minister presented to the Tajik parliamentarians a program for extricating the economy of Tajikistan from crisis in the conditions of transition to the market.

Among the priority directions of the activities of the Cabinet of Ministers, he identified measures to overcome the crisis in the consumer market, the acceleration of the process of ending state control and of privatization, the activation of external economic ties, the strengthening of social guarantees to the population in conditions of transition to market, and a number of other measures.

The prime minister noted that an extremely serious economic situation has developed in the republic, compounded by the natural disasters that struck the republic in spring and early summer. The damage amounts to some 500 million rubles. Substantial assistance is being provided to Tajikistan by the center. However, according to Izatullo Khayeyev, the republic must, above all, look to its own resources and reserves. One of the main ones is the strengthening of production discipline at all levels.